Daily Report

Latin America

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FBIS-LAT-95-059 *28 March 1995*

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Guarantors Ask Parties To Avoid 'Fortuitous Contacts'

PY2803033995 Madrid EFE in Spanish 2238 GMT 25 Mar 95

[FBIS Translated Text] Lima, 25 Mar (TELAM-SNI)—The delegation of observers of the 1942 Rio de Janeiro Protocol guarantor countries today asked the governments of Peru and Ecuador to avoid any contact between their forces.

According to a communique released in Lima by the military observers, "due to the existence of very important progress that makes possible prediction of a peaceful solution to the conflict, the two parties are asked to adopt measures to avoid fortuitous contacts in the zone of conflict."

The request by the guarantor countries is extended a day after the Peruvian Defense Ministry reported an Ecuadoran attack on its troops on Wednesday [22 March], which was categorically denied by Ecuador.

The communique adds that if some contact takes place, the two parties "must strictly abide by the cease-fire" agreed upon by Peru and Ecuador before the guarantor countries (the United States, Argentina, Brazil, and Chile) in Brasilia on 17 February.

Peru yesterday reported that Ecuadoran troops attacked a patrol while deactivating mines near the controversial post of Tihuinza in the Condor Mountains.

The attack was immediately denied, however, by Ecuador, which stated that Peruvian soldiers fell into a mine field and that they were not attacked.

"These reports could not be confirmed by the military observers of the delegation deployed to Coangos (Ecuador) and Watch Post 1 (PV-1, in Peru)," the message states.

Peru and Ecuador waged bloody fighting from 26 January to 28 February to recover the as yet undemarcated 78-km stretch of the border zone at the source of the Cenepa River.

"It is our obligation to reaffirm that the mission of observers is to oversee the fulfillment of the commitments assumed, but it has no power or authority as a peace force to intervene in reported incidents," the communique states.

"It would be very regrettable for this type of attitude to prevent the delegation of observers from fulfilling its mission, with the consequent risk of a resumption of operations," it adds.

The president of the Peruvian military court has reported that two Ecuadoreans are being tried on charges of presumed espionage against Peru's national security.

General Guido Guevara Guerra, president of the Supreme Court of Military Justice (CSJM), said that Jose Felipon or Felinton Tayguaje and Victor Augusto Tangoy were taken to Lima after being held in custody at a military base in a jungle locality in the northeastern part of Peru.

"They had counterfeit documents and, in an extremely suspicious manner, were taking notes on military installations and troops," Guevara told the Lima press.

He added that the Ecuadoreans, who were detained on 11 February, agreed that they were guilty on being arrested.

The Peruvian Foreign Ministry has also expressed its concern over the situation of Peruvians arrested in Ecuador.

A communique issued by the Foreign Ministry states: "The government maintains its legitimate and well-founded concern over the situation of Peruvian citizens arrested in Ecuador, expressing the fear that they could be victims of disappearance by force."

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Cuba

Radio Cites International Opposition to Helms Bill

FL2403215495 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Mar 95

[From the "National Radio News"]

[FBIS Translated Text] Several experts believe that the approval of a bill in a subcommittee of the U.S. House of Representatives, which would sanction countries and people who trade with Cuba, is the first step of a process that will become arduous and difficult in the measure that it goes through each one of the committees in charge of approving the bill. The anti-Cuban resolution, proposed by ultraconservative Senator Jesse Helms, already obtained a victory in the Hemispheric Issues Subcommittee, and according to experts, its weakest point is the extraterritorial aspect, unanimously challenged by some of Washington's allies after the approval of the so-called Torricelli Law in 1992. Canada, Spain, France, Great Britain, and Mexico have manifested their will to take advantage of the Cuban economic opening as well as their opposition to the blockade. Meanwhile, Canada has communicated to the U.S. Government its rejection of the Helms bill that is being debated in the U.S. Congress, with which the United States intends to intensify the blockade against Cuba, penalizing foreign firms that trade with the island. In declarations to the press, Canadian Foreign Minister Andre Ouellet stated that his country will not accept any legislation with extraterritorial implications, and added: The time has come for Washington to begin more open and direct relations with Havana instead of insisting on a policy of hostility. Ouellet told reporters that Cuba's opening and willingness to dialogue is very encouraging.

Mexico Backs Tlatelolco Treaty's Expansion

PA2603040895 Mexico City NOTIMEX in Spanish 0325 GMT 26 Mar 95

[FBIS Translated Text] Havana, 25 Mar (NOTIMEX)—Foreign Secretary Jose Angel Gurria today announced Mexico will promote a second phase of the Tlatelolco Treaty to limit the use, manufacture, and transfer of conventional offensive weapons in Latin America and the Caribbean.

"In the future, Mexico will struggle in an effort to increase the Tlatelolco Treaty's peaceful impact in the international arena. Let us be ambitious and visionary in the pursuit of the cause of peace," he added.

The Mexican foreign secretary delivered a speech tonight to hail the Cuban Government's signing of the treaty to ban nuclear arms in Latin America and the Caribbean at a ceremony attended by President Fidel Castro.

Robaina Meets Canadian Government Officials

FL2403175895 Havana Radio Rebelde Network in Spanish 1000 GMT 24 Mar 95

[From the "Doing Radio" program]

[FBIS Translated Text] On 23 March, during the second day of his visit to Ottawa, Canada, Cuban Foreign Minister Roberto Robaina met with Canadian Foreign Minister Andre Ouellet. Robaina and Ouellet's conversation covered many issues and was constructive with regard to bilateral relations between Cuba and Canada, as well as ways in which they can be strengthened. During the meeting, Robaina and Ouellet initiated the text of an accord which will serve to protect Canadian investments in Cuba. This is an important step in strengthening and developing economic and trade relations between Cuba and Canada. On 23 March, Robaina also met (Gilberto Paret) and (Gilda Polter) presidents of the Canadian House of Commons and Senate. Robaina, (Paret), and (Polter) shared the same interest in strengthening and promoting bilateral relations between the Cuban and Canadian parliaments. Robaina also met Canadian International Trade Minister Roy MacLaren, with whom he discussed the situation and outlook of trade relations between Cuba and Canada, as well as MacLaren's next visit to Cuba.

Meets Canadian Counterpart, Legislators

PA2503195895 Havana Radio Havana Cuba in Spanish 1300 GMT 24 Mar 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Canada advised the United States of its rejection of a draft bill being debated by the U.S. Congress whereby its promoters intend to stiffen the U.S. economic blockade against Cuba, penalizing foreign companies that engage in business with the Caribbean country.

In statements to newsmen, on the occasion of the visit to Canada by Cuban Foreign Minister Roberto Robaina, Canadian Foreign Minister Andre Ouellet announced that his country had stated its position to U.S. authorities, through the appropriate channels. The Canadian foreign minister, who expressed his opinion to newsmen in Ottawa, said it is time that Washington initiates more open and direct relations with Cuba, instead of insisting on a policy of hostility. Ouellet declared that Canada will not accept any legislation with extraterritorial implications.

The Canadian foreign minister received his Cuban colleague today, Thursday [23 March], in Ottawa. Robaina was invited to visit on the occasion of the 50th anniversary of the beginning of Cuban-Canadian bilateral relations. During his busy working agenda in the Canadian capital, Robaina explained before Canadian academicians, diplomats, and members of nongovernmental organizations the changes that are currently taking place in the Caribbean nation and the favorable conditions that exist for foreign investment. The Cuban foreign minister also met with Brian Tobin, Canadian fisheries and ocean ninister, Huguette Labelle, president of the Canadian Agency for International Development, and with legislators who are members of the parliamentary

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group of friendship with Cuba. Robaina will return in the coming hours to Toronto, the last leg of his visit to Canada, a tour which he began last Sunday.

Concludes Canadian Visit

FL2503125895 Havana Cuba Vision Network in Spanish 0100 GMT 25 Mar 95

[From the "NTV" newscast]

[FBIS Translated Text] Foreign Minister Roberto Robaina concluded his visit to Canada on 24 March. Canada once again reaffirmed at the highest levels its opposition to the U.S. blockade of Cuba. Robaina spoke exclusively to "NTV" shortly before concluding his fifth day of work in Ottawa about the importance of his visit:

[Begin Robaina recording] The fact that this is the first Foreign Ministry visit to Canada is very positive. Relations have existed for 50 years, 50 years of relations that have developed without the Cuban Foreign Ministry being able to explain the current situation in our own words on Canadian territory. I think that Cuba has gained Canada's respect, just as Canada has our respect. With this respect and understanding, we have been able to discuss the current situation, review economic issues and cooperation, and open dialogue on other issues even though we may hold different positions. We have been able to speak to Canada without intermediaries: This has been most useful for Cuba and most useful for Canada. [end recording]

Castro Presides Over FEU Fifth Congress

FL2403154095 Havana Radio Reloj Network in Spanish 1502 GMT 24 Mar 95

[FBIS Translated Text] Radio Reloj reports: In Havana City, at this very moment, Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba's Central Committee and president of the Council of Ministers and of State, is presiding over the plenum of the 5th Congress of the Federation of University Students. The plenum will analyze important issues such as research, job placement, how universities are functioning, and the students' economy.

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Castro: 'What Is Happening With' English Teachers?

FL2403202095 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Mar 95

[From the "National Radio News"]

[FBIS Translated Text] With the attendance of Commander in Chief Fidel Castro, the plenum of the Federation of University Students [FEU] 5th Congress is underway at Havana City's Convention Center. Lucy Gisbert gives the following report:

[Begin recording] [Gisbert] On 24 March, the plenum of the FEU Congress began its discussion on the issue of job placement, following up on the work of the eight commissions which had met on 23 March. The concept of the new reality, which the graduate faces, after the changes and the new economic structures and consequently irregularities such as the exodus of professionals to the tourist sector motivated the following intervention by Fidel.

[Castro] What is happening with their English teachers? I understand that many English teachers are moving. Some of them go to the tourist sector and on to other things. I am constantly hearing the same complaint, that Cardenas has lost a teacher, that Matanzas has lost a teacher. We have been talking about the problem regarding teachers and those who are studying languages for tourism. Later, they do not fit because the hotel was not there or the hotel is in Cayo Coco and the graduate is in Havana City. All of these things are contradictions and some are inevitable, that is what we have been talking about. You can see it does not work out, we have seen that there are bitter complaints. Some started to study one thing and later were given a different job.

[Gisbert] The lack of rivalry for a determined job, the contradictions between efficiency and the policies which have been followed to date, and the need for new mental conditioning regarding work were issues that were broached during this morning's session. [end recording]

Education Minister Views English Teacher Shortage

FL2503000995 Havana Radio Reloj Network in Spanish 2032 GMT 24 Mar 95

[FBIS Translated Text] Education Minister Luis Ignacio Gomez informed Commander in Chief Fidel Castro on the situation regarding English teachers. He explained that there is currently a shortage of over 1,500 English teachers. He pointed out, however, that there is no crisis, and stressed that we are in the process of resolving the shortage problem. In his address to the 5th Federation of University Students [FEU] congress, Gomez affirmed that there has always been somewhat of a shortage of English teachers, and that because of Cuba's difficult economic situation, the shortage is currently doubled. He, therefore, insisted on the students' wholehearted support. He added that the Education Ministry is prepared to employ English language graduates to teach at all levels, elementary to advanced.

At the FEU Congress, Commander in Chief Fidel Castro addressed a group of foreign language students, mostly English students, about their concerns over job placement. Castro pointed out that there definitely had been

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a shift of English teachers to other, more attractive sectors such as tourism. Regarding the issue, Fidel elaborated on the fact that efforts have been made to develop tourism nationwide, but that foreign investors prefer certain locations, such as Havana. Fidel indicated that current economic conditions facilitate the exodus of English teachers to tourism, and cited the example of some university graduates who give up their profession to be a chauffeur in the tourism sector.

Remarks by Fidel and by the education minister followed speeches by delegates who articulated the difficulties of job placement. A foreign language student from [word indistinct] Central University said that the graduates are interested not only in tourism, they could also be higher education professors. Other participants addressed the need to expand the graduates' profile, urging optimal utilization of their multifunctional character. Orlando Carlota, Ministry of Tourism Consultants, agreed with the university students, adding that the tourism sector needs a highly qualified work force, and that a firm understanding of the subject matter has a significant impact the global placement of foreign language students.

Visiting Russian Legislators Seek Stronger Ties

PA2603184295 Havana PRENSA LATINA in Spanish 2137 GMT 24 Mar 95

[FBIS Translated Text] Havana, 24 Mar (PL)—A delegation of Russian legislators arrived in this capital today at the invitation of the National Assembly of the People's Government (Cuban parliament), and they will seek to strengthen bilateral ties.

The group is headed by Sergey Glaziyev, chairman of the Economic Policy Committtee of the Duma (lower house), who, upon arriving at Jose Marti International Airport, voiced to the media his interest in deepening relations between Russia and Cuba.

Glaziyev recalled that the Duma recently unanimously approved a motion to reject the blockade that the United States has imposed on the island, and he underscored that this reflects the Russian deputies' support for the Antillean island.

The delegation from Moscow will remain in the country for a week during which it will visit economic and scientific centers in the provinces of Matanzas and La Havana, and in the city of Havana.

The official schedule includes meetings with leaders of the Cuban parliament, the Foreign Ministry, and the Tourism Ministry, and a visit to the Ameijeiras Brothers Hospital in the capital.

The delegation was welcomed by Jorge Lezcano, chairman of the Foreign Relations Commission of the National Assembly of the People's Government, and German Amado Bianco, vice minister of foreign trade.

Chilean Communist Party Leader Visits Havana

FL2803025295 Havana Radio Rebelde Network in Spanish 0000 GMT 28 Mar 95

[From the "Exclusive" program]

[FBIS Translated Text] Gladys Marin, secretary general of the Communist Party of Chile, who is visiting Havana, described the endurance of the Cuban Revolution as the deed of the century in today's world. Gladys Marin affirmed that the fact that Cuba remains firm even as capitalism experiences a brutal, violent upswing is truly impressive and should serve as a very powerful lesson. Marin spoke enthusiastically about her recent meeting with Cuban President Fidel Castro who told her that when ideas are just and noble, one must know how to uphold them with commitment and energy. He added that for the good of mankind and the peoples of Latin America and the Third World, Cuba composed a different society with other values and that the idea of socialism is expressed in equality of opportunity for all.

Haiti

Minister Announces 'Radical' Reform of Justice System

PA2703235195 Port-au-Prince Radio Metropole in French 1700 GMT 27 Mar 95

[From "The Midday Newscast"]

[FBIS Translated Excerpt] Haitian Justice Minister Jean-Joseph Exume has asserted that the justice system is faltering. On 24 March, two months after being appointed to his post, Mr. Exume made this assessment, after which he announced radical reforms. He also announced the beginning of a process to purge the courts of judges of the former regime. Rodrigue Sejour filed this report:

[Begin Sejour recording] Discredited, corrupt, an instrument of oppression in the hands of the wealthy—we have plenty terms to describe Haiti's system of justice, a system that inspires no trust among the people. This is the assessment of Haiti's justice minister, Attorney Jean-Joseph Exume.

Two months ago, he found a disfunctional judicial system in which there was a great deal of incompetence among jurists and an absence of logistic and financial foundations. This was related to contempt for the people, on one hand, and a lack of encouragement for judges to devote themselves to a judicial career, on the other. Therefore, Minister Exume promised radical reform.

To fight corruption, the keeper of the seals of the Republic intends, beginning in April, to increase between 100 percent and 150 percent the salaries of the bench and the salaries of state prosecutors. A justice of the peace will receive between 2,500 to 3,500 gourdes.

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The judges of the lower courts will receive a minimum of 7,500 gourdes. Those at the appeallate court level will receive 10,000 gourdes. Meawnile, a special security system is being considered to enable judges to exercise their duties without fear.

Minister Exume also announced the opening, within a few weeks, of a magistrates school. Soon after this, the administration of the penal system will be turned over to justice system control, and prisons will be overhauled. Minister Exume also intends to improve the atrocious working conditions of the officers of justice by providing them with better better work materials, vehicles, libraries, renovated offices, etc. [passage omitted]

Regarding security threats, the minister asked the population to cooperate with the interim police until the police force has the necessary means to guarantee security. In discussing the plot against state security, as well as to justify the government's actions, the minister said he had detailed information showing that certain people had participated in meetings of this sort, and, in turn, the government is taking action.

Regarding justice reform, it is a weighty task. Minister Jean-Joseph Exume also promised to take all necessary steps in an effort that, for once, perhaps, Haitian justice can stop being discredited. [end recording]

'Unprecedented Crime Wave' Precedes UN Troop Takeover

FL2703151795 Bridgetown CANA in English 2302 GMT 26 Mar 95

[From the "Broadcast News Summary"]

[FBIS Transcribed Text] As the United States prepares to hand over peace keeping duties to U.N. troops on Friday, there are reports of an unprecedented crime wave in Haiti. Police say in one of the latest acts of banditry, thieves entered a currency exchange office near the National Palace Saturday and made off with 41 thousand dollars in cash.

Fito Boniface, an employee at the office, and Jacques Edmond, an 18-year-old student who witnessed the robbery, were both killed in the ensuing gunfire.

Last week, a senior member of the interim police force was shot and injured by unknown gunmen. And earlier this month, gunmen ambushed four buses on a highway north of the capital, killing a driver and wounding 14 passengers.

CEP Makes Changes in Electoral Process

PA2703195295 Port-au-Prince Radio Metropole in French 1145 GMT 27 March 95

[FBIS Translated Text] The first news item concerns changes made in the electoral process, notably the date for voter registration throughout the country, which was due to start on 26 March. The registration did not take place. The Haitian voters are not showing much interest. The secretary general of the Provisional Electoral Council [CEP], Mrs. Marie-Laurence Jocelyn Lasegue, explained that the CEP has not yet found the necessary facilities to serve as registration and polling stations. Nevertheless, some changes were made in the electoral process. The start of voter registration on 26 March has been postponed. However, registration will be held until 17 April. Candidates will register from 30 March to 6 April. The period from 30 March to 9 April will be for contesting candidacies and other changes.

CEP Faces Problems Finding Premises for Polling Stations

PA2703194295 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Mar 95

[FBIS Translated Text] Registration and polling stations [BIV's] throughout the country were opened on 26 March, although there was still some doubt very late in the morning. Contacted by Signal on the morning of 26 March, a source close to the Provisional Electoral Council [CEP], was not able to confirm this. However, according to information provided by the source, the CEP was facing serious difficulties finding premises for the BIV's last week. In the Artibonite and the Western Departments, the homeowners contacted by the CEP refused to put their premises at its disposal. Nevertheless, we have learned from credible sources that the registration process should have begun at BIV's throughout the country on 26 March.

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Columnist Criticizes U.S. Envoy Over CIA Presence

PA2803025295 Mexico City UNOMASUNO in Spanish 27 Mar 95 p 32

[From the "Washingtongate" column by Rodolfo Medina: "The CIA and Mr. Jones"]

[FBIS Translated Text] Washington D.C.—One day an official from the Mexican Embassy in Washington came to see me and asked if I had a problem with Mr. Jones, whom I have identified as the main concealer of CIA espionage operations in Mexico.

Mr. Jones' first name is James, as you already know, and he is the U.S. ambassador to Mexico.

One cannot say that Mr. Jones is an irreproachable man. During his term as a legislator for the State of Oklahoma, as you may know, a resolution of censure was passed against him and entered in the official record for having committed certain irregularities that need not be mentioned here.

"No, I have no problem with Mr. Jones," I told the official.

However, being the ambassador of such an important country, having access to the official presidential residence Los Pinos and the National Palace, and meeting with the country's highest ranking government officials and business personalities, I believe he ought to be a little more careful about his reputation. The National Security Directorate should not let him out of their sight.

You see, Mr. Jones has several CIA agents in the embassy building on Paseo de la Reforma.

Jones has lied to the Mexican Government.

He has registered the CIA agents, whose exact number is frankly quite difficult to determine, at the Foreign Relations Secretariat as diplomats and "attaches" of this or that, not as spies.

I am not making this up. Mr. Jones himself admitted openly to me and other reporters that he has spies inside the embassy.

This does not seem like a very friendly gesture, does it? He argues that they are commercial and economic spies working on drug related matters. They no longer go around killing people or plotting to kill politicians, deal drugs, or spark uprisings.

That is Mr. Jones' version.

Once in a while, however, even U.S. citizens are shocked and disgusted when they learn about the dirty work of covert CIA spies like the ones Mr. Jones is hiding.

Just last week, a group of congressmen disclosed that the chief of the CIA station in Guatemala paid up to $44,000 to a Guatemalan officer named Julio Roberto Alpirez, with whom he worked very closely, and who is said to have murdered a guerrilla leader—or at least to have been involved in the torture and death of rebel leader Efrain Bamaca.

This scandal just broke in Washington, thanks only to the fact that the guerrilla's widow is not a Mayan Indian, who, as we know, Washington defends so vehemently, but a U.S. citizen and an attorney.

For years attorney Jennifer Harbury took her case from the U.S. Embassy in Guatemala to the White House, then to Congress, the CIA, and the Guatemalan Government. No one would pay any attention to her.

The case is so shameful that, according to the attorney, even National Security Council Advisor Anthony Lake had told her she was mistaken.

We have no reason to doubt Mr. Lake, so we will say that the CIA lied to the National Security Council. Do you think the CIA was about to tell the ambassador in Guatemala?

It was not until Saturday when it became known that the CIA was aware that the Guatemalan colonel was involved in the case. That is not all. Following the murder, they continued to pay him for his services. The CIA also knew that the colonel was involved in the murder of a U.S. citizen living in Guatemala.

The White House announced that it just fired the CIA station chief in Guatemala.

There is no reason to doubt Ambassador Jones. He may have the best of intentions in covering up for the CIA spies in Mexico and lying to the Mexican Government and people so they will accept them as "attaches" of this or that.

But be careful, Don James. We have a saying in Mexico: "When the dog is ferocious, it even bites its master." You have seen what the boys are up to in Guatemala.

It is true that Mr. Jones' conduct, as was said, is not irreproachable. The congressional censure if proof. But it is one thing to commit minor electoral fraud and lie to the Federal Election Commission about campaign funds, and quite another to cover up for murderers.

Recently the head of the DEA himself accused the CIA of carrying out narcotics operations in Venezuela. Apparently the U.S. ambassador in Caracas was unaware as well.

Mr. Jones says the CIA in Mexico spies on drug traffickers. Jones' boss, Secretary of State Warren Christopher, acknowledged that "no one is safe" from the highly corruptive power of drug money.

Furthermore, the CIA agents are no example of honesty or immunity to the scent of dollars. There you have Aldrich Ames, who, incidentally, did a few dirty jobs disguised as a diplomat in Mexico, whose case does not make me a liar.

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Is Don James sure that the boys are not up to any mischief?

Government Adopts Measures To Protect Border Crossers

PA2503021095 Mexico City XEW Television Network in Spanish 0430 GMT 24 Mar 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The Mexican Government has adopted measures to protect from abuse and violence those Mexicans who intend to cross the U.S. border illegally.

The Government, Finance, Communications and Transportation Secretariats, the Comptroller General's Office, and the attorney general of the republic signed two coordination agreements at the Government Secretariat facilities in Mexico City on 23 Marcy.

One agreement will be to prevent and punish the illegal trafficking of individuals, the other one to prevent and combat contraband. The secretary of the Comptroller General's Office signed only the agreement on contraband.

Government Secretary Esteban Moctezuma said confusion about Mexican foreign policy must be avoided. He said:

[Begin Moctezuma recording] The Mexican Government will keep unalterable the respect for constitutional norms guaranteeing freedom of transit in the country. The struggle against those who break the law by taking fellow citizens abroad illegally must coincide with an unrestricted respect for the decision adopted by those Mexicans who hope to find a job abroad. [end recording]

Finance Secretary Guillermo Ortiz mentioned the agreement to combat contraband and the creation of a committee for the prevention of and struggle against contraband that will define specific actions against contraband.

Zedillo Vows To Maintain Open Economic Policy

PA2803043495 Mexico City NOTIMEX in Spanish 0232 GMT 28 Mar 95

[FBIS Translated Text] Mexico City, 27 Mar (NOTIMEX)—Mexican President Ernesto Zedillo today promised the country will maintain its open economic policy, and he called on the business sector to form a "new alliance" to promote trade and the nation's growth.

"Globalization must be viewed as an opportunity, not as a threat," Zedillo said in a speech closing a meeting of the Confederation of National Chambers of Commerce. The session was held at the Camino Real Hotel.

The president said Mexico's market opening process, which was initiated by the previous administration, is "essential" to prepare the nation to meet what he called the "challenges of globalization."

"The openness strategy is appropriate and offers opportunities," Zedillo said. He described Mexico's industry as the "driving force" behind the country's growth toward the next century.

He noted that openness and the overvalued peso vis-a-vis the dollar had placed the industrial sector under "far too much pressure."

The president indicated that the adjustment measures, which his administration implemented at the beginning of this month, will allow the country to overcome the financial crisis, reduce inflation during the second half of the year, and make the country return to former levels of growth.

Under open market policies, Mexico has signed free trade agreements with the United States and Canada, with Venezuela and Colombia, and individually with Chile, Bolivia, and Costa Rica. It is currently negotiating others with other nations of the continent.

Zedillo asked the business representatives to join in a "new alliance" and contribute to the creation of the National Development Plan for 1995-2000. The plan will be discussed with various sectors nationwide over the coming weeks.

The president pointed out that the industrial sector is a "main concern" of the current administration's economic policies, because it "represents more job opportunities" and will promote agricultural trade and production.

Zedillo said the consolidation of exporting enterprises will "further enhance the viability" of Mexico's economy "and will generate sustained and stable economic growth."

He noted that the Agreement of Unity To Overcome the Economic Emergency, implemented by his administration following the country's financial crisis, will level off the balance of payments, adjust public finances, and stabilize the peso against the dollar.

He said the government expects to improve fiscal and investment conditions, promote the training for workers, and reduce the cost of credit services.

The Mexican Government has received loans totaling nearly $51 billion from several countries and international financial institutions to support its economy. About $20 billion of this was received from the United States.

Government Accepts Political Cost of Economic Measures

PA2803001195 Mexico City NOTIMEX in Spanish 2206 GMT 27 Mar 95

[FBIS Translated Text] Mexico City, 27 Mar (NOTIMEX)—Government Secretary Esteban Moctezuma Barragan today said the Mexican Government is

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willing to pay the political price of the economic measures taken to combat the national crisis.

At the opening ceremony of the 17th National Congress of the Trade Unions Federation of Government Workers (FSTSE), he said the government is facing the crisis with resilience and determination to ensure it is only temporary and to regain economic growth levels in an equitable manner.

He noted that ruling means being committed to Mexico's future, and "not to personal interests or those of political groups." He added that the economic measures "are not decisions based on a desire for demagogic popularity."

Moctezuma said, "We are experiencing times of financial crisis and economic emergency which make it difficult to improve working conditions in the short term." Once we overcome the emergency, we will attempt to improve the quality of life for government workers.

He invited representatives of the 84 federated unions to take part in drafting the National Development Plan. He said it is good that workers contribute their experience to face today's challenges, instead of proposals coming solely from the government.

He also said the public administration must begin a modernization process to meet the challenges ahead: "We will change the concept that says government workers are inefficient, and we will do this through our actions."

The secretary noted that improving democracy means improving the nation. As the 21st century approaches within a changing climate, administrative planning and reform will allow Mexico to face this challenge with innovative systems.

"We must accomplish more with less," he stressed, and despite the hardships, we will attempt to maintain and even expand benefits for government workers.

We are facing a year of budget restrictions, and we must define the most important programs, such as the civil service career system, training programs, administrative streamlining, production incentives, and the civil service savings plan.

Moctezuma added that Mexico has a knowledgeable and demanding society that is willing to participate. We must therefore improve the services they receive from the government work force.

Secofi Discussing Modifications to Foreign Trade Law

PA2503012095 Mexico City EL FINANCIERO in Spanish 23 Mar 95 p 22

[Report by Jose Luis Gaona and Lourdes Gonzalez]

[FBIS Translated Text] Secofi [Commerce and Industrial Development Secretariat] and the private sector are currently working on modifications to the Foreign Trade Law. Secofi has reported that some of the most important changes will deal with the official ratification of the World Trade Organization's subsidy and protection codes, NAFTA, and commercial agreements signed by Mexico; confidentiality of information regarding antidumping investigations; and harsh economic penalties for illegal imports.

International trade consultants believe the current legislation's bylaws should establish very clear penalties for under-reporting prices and shady operations dealing with surpluses from large U.S. commercial chains and knockoffs from Asia. The consultants warned that, in all likelihood, domestic and foreign importers will resort to unfair trade practices because of the peso's devaluation, especially in light of large loopholes in the law.

Secofi sources explained that the most important changes in the area of trade center on the country's foreign debts in terms of trade agreements. Subsidy and protection codes must be officially approved, because these did not exist before the country began adhering to them following the conclusion of GATT's Uruguay Round. One expert pointed out: The modifications should very clearly establish the difference between authorized and non-authorized subsidies, as well as methods for calculating subsidies and compensation quotas to counterbalance subsidies. Something similar should happen with NAFTA and the trade agreements signed with Chile, Colombia, Venezuela, and Costa Rica, Secofi said.

The modifications also will regulate everything related to public hearings on antidumping cases, private industry's representation in inquiries, and the confidentiality of information, the secretariat reported.

In terms of "communications between the sides," the law must be very explicit, because, as it stands right now, it lends itself to various interpretations. For instance, no penalty is mandated for those who withhold information from the concerned parties.

One aspect of utmost importance, as well as one of the first things that will have to be determined by the Consulting Council for International Commercial Practices, is terminology. The law must be very precise in order that everyone, including the authorities, obey unambiguous resolutions. In this way, no legal uncertainty will be created and enterprises have clear-cut criteria under which they can set production targets.

By the same token, the changes in the law should facilitate and expedite procedures for resolving lawsuits related to unfair trade practices. The idea is to improve procedures and prevent delays in investigations, which today often exceed the three-month deadline stipulated by the law.

The sources added that the public hearings framework, under which the various sides present arguments in cases of alleged unfair trade practices, also will be modified.

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Potential changes are currently being debated among representatives of the Consulting Council for International Commercial Practices and the Under Secretariat for Industry. Nevertheless, this does not rule out the possibility that this issue will ultimately be taken up by the relevant commissions in the Chamber of Deputies and Senate, as well as other economic bodies.

Sources within the public and private sectors have reported that this work got under way several months ago, but that it will not be forwarded to Congress before the next regular sessions.

Repercussions of Eliminating Energy Secretariat Assessed

PA2503031395 Mexico City EL FINANCIERO in Spanish 23 Mar 95 p 34

[Report by Eva Lozano Estrella]

[FBIS Translated Text] The duties the Constitution bestows on the Mexican state concerning the conservation of natural resources, such as petrochemicals, electricity, and radioactive minerals, are undeniable. Therefore, legislators must carefully examine the possibility of either eliminating the Energy Secretariat or creating a substitute.

Energy sector employees have noted that it is ironic that the same deputies and senators who in December approved changes in the public administration's basic law, which transformed the Energy, Mines, and Parastate Industry Secretariat into the Energy Secretariat, are the same lawmakers who now may vote in favor of eliminating this agency, which has been functioning for 48 years.

During the secretariat's nearly 50 years of operation, it has changed its name and duties four times: from the Secretariat of National Property and Administrative Inspection, which was founded on 7 December 1946, to the Secretariat of National Property in 1958; to the Secretariat of Property and Industrial Development in 1976; then to the Energy, Mines, and Parastate Industry Secretariat; and most recently to Energy Secretariat.

The bill approved in December by the deputies established that the Energy Secretariat will have full authority in the sector's strategic planning. The secretariat was granted regulating powers that enabled it to enforce a series of reforms in energy development policy and the authority and power to make government institutions devoted to this branch of production more efficient and competitive.

According to certain employees, the decision to eliminate the Energy Secretariat was made long ago. Some even noted that the Energy Regulating Commission may take over its functions. Moreover, it is also rumored that Finance and Public Credit Secretary Guillermo Ortiz himself strategically proposed the appointment of Hector Olea as head of the Energy Regulating Commission.

If the deputies and senators approve the bill to eliminate the Energy Secretariat, some 1,900 workers will lose their jobs. Meanwhile, the federal government will only save 124 million new pesos—equivalent to 0.4 percent of Mexican Petroleum's overall budget or 0.6 percent of the Federal Electricity Commission's budget.

Meanwhile, Energy Secretariat employees are voicing opposition to the proposal, which they claim was not based on recommendations from within Congress but, rather, on "higher level recommendations," and they warn that this move will result in greater social discontent.

For the time being, we do not know what the future holds for the Energy Secretariat organizations: the National Commission for Energy Conservation; the National Institute for Nuclear Research; the Institute for Electrical Research; the National Nuclear Safety Commission; and the National Commission on Petroleum, Gas, and Petrochemicals.

PRI Deputies Warn About Effects of VAT Increase

PA2403133895 Mexico City EL FINANCIERO in Spanish 21 Mar 95 p 26

[Report by Victor Gonzalez]

[FBIS Translated Text] Institutional Revolutionary Party [PRI] legislators have warned that this is the last opportunity the economic cabinet will have to reverse the effects of the economic crisis. They also announced a detailed evaluation of the tax system in order to encourage savings, investments, and more equitability since the tax system, so far, has tended to severely penalize to middle class.

They also announced their intention to strengthen the Finance Auditing Office by creating an auditing division independent of the other branches which will prevent corruption and misuse of funds.

In explaining that their vote supporting the VAT [value-added tax] increase was "a vote of confidence" in President Ernesto Zedillo, the legislators insisted in that there will no longer be any more opportunities because voters "will not allow it anymore."

Francisco Suarez Davila, president of the Finance Committee in the Chamber of Deputies explained that: "The crisis forces us to move at a pace that may well prevent us from truly reflecting on our decisions in a timely and serious manner."

On other hand, Antonio Sanchez Gochicoa, president of the Programming and Budget Committee of the lower

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chamber, stipulated that the increase in the VAT from 10 to 15 percent entails a sacrifice by society equal to 15 billion new pesos.

However, he pointed out, the government expects to receive 28 billion new pesos, the equivalent of one quarter of the public sector's payroll, or equal to total federal investment.

Furthermore, PRI coordinators in states such as Tabasco, Morelos, and Chiapas, in supporting their party legislators, also demanded that the revenue raised should be used in a responsible manner since it represents a tremendous sacrifice.

Similarly, Suarez Davila acknowledged that the VAT increase will affect all sectors of the population, which is currently facing unemployment, a decline in purchasing power, and reduced economic activity.

Nevertheless, he contends that the tax increase will strengthen state and municipal finances since one out of every five pesos received by the government will go to these entities.

Consequently, he noted, each state and municipality will be guaranteed an additional 9 billion new pesos.

Suarez Davila explained that the decision to increase the VAT was motivated by falling government revenues and that public and national savings will now be increased. Not adjusting the VAT, or even lowering it, he explained, would have entailed more fiscal disequilibrium, more debt, which in turn implies higher interest rates, more bank notes issued, and more inflation.

He stipulated that, along with the people's sacrifice, the government must also be prepared to sacrifice. In this respect it must cut spending and audit its finances in other to prevent misuse. Resources should not be diverted to corrupt officials, he demanded.

In this way, the PRI legislator believes the state is obligated to implement better controls and auditing procedures by strengthening the Finance Auditing Division and creating an auditing entity independent of all branches.

This, he added, will allow legal procedures to be observed and impunity to be curtailed so that public funds will not be mismanaged.

Moreover, he noted the importance of undertaking an overall evaluation of the tax system, encouraging savings and investments, generating sufficient resources to carry out the public sector's responsibilities, strengthening state and municipal public finances, as well as generating more equality among taxpayers.

According to the legislator, the current tax system tends to severely burden the middle class.

"All this is part of a overall program which, once approved and applied, must convince the markets of the government's determination to adopt measures and its capabilities to rectify the problem," he stressed.

In the meantime, Antonio Sanchez Gochica highlighted that at this time it is imperative to develop concrete measures that will pave the way to eliminating bureaucratic inefficiencies and unnecessary administrative costs.

This can only be achieved, he stressed, by reviewing all plans and programs, as well as by restructuring, and, when necessary, eliminating agencies—so far there has talk about four—with the guarantee that the state will carry out its basic obligations and is prepared to respect workers rights.

PAN Senator Analyzes Prospects for Economic Program

PA2403174795 Mexico City EL FINANCIERO in Spanish 21 Mar 95 p 36

[Article by Jose Angel Conchello, a PAN senator and a member of the PAN Central Executive Committee: "Motivation or Repression"]

[FBIS Translated Text] The key to the success or failure of the painful economic emergency program is deciding whether this country needs a boost or a brake; motivation or repression.

This depends on the purpose one believes the disliked program should have with its price and tax hikes; to resolve financial instability or to rescue the country from economic stagnation.

During the Senate debate of the program, the PAN's [National Action Party] and PRD's [Party of the Democratic Revolution] opposition to this program was based on the not always precise idea that what this country needs is a big push; that it needs to resolve the unemployment problem and find markets for industry, income for workers, motivation for production, and so forth.

PAN Senator Herrero Arandia de Puebla said: "In times of crises, work is what is needed; work to produce, and production to generate wealth and distribute it fairly to overcome the crisis on a solid basis."

On the other hand, the PRI [Institutional Revolutionary Party] believes that the stumbling block of financial instability needs to be resolved, and if we fail to do so, nothing else can be done.

PRI Senator Melchor de los Santos said: "Right now the main priority is to rescue the country's economic viability. Without this precondition, there will not even be an opportunity to discuss other possible economic measures."

The popular protests outside indicate the people's perception that what the country needs right now is a road to motivation, not a stumbling block; people want

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greater purchasing power, not a reduction in total expenditures, whether they are public or private. The people dislike even more the idea that public savings be accomplished by private embezzlement.

When PAN Senator Emilio Goicochea from Nayarit spoke of the need for development funds, three PRI senators, Luz Lajous Vargas, Carlos Sobrino, and Rodolfo Becerril Estrafon, asked him tough questions to try to demonstrate the impossibility of having a reduction program with increased expenses or, conversely, increasing expenditures when reduction is what is sought.

Nevertheless, at this time the entire official program was being revealed. The labor secretary announced, predicted, prophetized a loss of 500,000 industrial jobs over the next few months, then the president announced and promised a temporary job program to employ 500,000 peasants in rural areas.

To announce urban unemployment and promise rural jobs is an insurmountable contradiction in this emergency program. This is an indication that the program will have to change, otherwise it will fail.

I personally believe that, with this recent case, we should have never accepted the idea of a reduction in public spending, public or private, as a formula to emerge from the financial crisis caused by the economic crisis. We forgot that the fiscal deficit was an outward manifestation of enormous domestic unemployment, and that deregulation gave us both these dividends—deficit and unemployment—and that we are only concerned about the deficit and not about the unemployment. That is why I believe that what this country needs in these days of reduced production and unemployment is not a starvation diet but a recovery diet.

Thus the insurmountable contradiction in goals among those who want to simultaneously save and spend, or step on the gas and brake.

For example, to close four state secretariats, which would save 1 percent of the federal budget, would cause an even greater contraction. To fire bureaucrats sounds commendable in times of abundance, but not in times of need.

This will have to wait until we have surplus jobs, not when we have unemployment all around. Or in the best of cases, let's do it by natural selection and not add another shock to what we are already experiencing. "Let the will of the IMF be done in the government payroll," or, as industrialist Lorenzo Servitje said, let us not forget that when we fire people, the number of consumers drops even further.

I believe the people could make the sacrifice if they knew it was fair and would do some good. Right now, however, the people have the opposite impression, that it is unfair and useless.

Report Predicts 'Economic Genocide' Until Turn of Century

PA2403210795 Mexico City EL FINANCIERO in Spanish 20 Mar 95 p 38

[Report by Marcos Chavez and Luis Acevedo Pesquera]

[FBIS Translated Text] The price Mexicans will have to pay for the crisis, for which they are not responsible, is traumatic, tantamount to economic genocide. It will place the nation on the threshold of a social outbreak as the foundations for the recovery of their standard of living have been destroyed for the rest of the century.

Salaries, jobs, distribution of income, and public spending in social welfare have seen their worst deterioration in the nation's history. This will become even worse with the problems of indigence and poverty. In addition, this situation could damage the legal status of workers, according to an analysis conducted by EL FINANCIERO with data from the Bank of Mexico, the National Institute of Statistics, Geography, and Data, and the Secretariat of Labor.

The about-face of expectations over the past few days has been brutal. The official Messiah-like speech promised systematic recovery in the people's standard of living, but everything went up in smoke in less than three months.

Now, government rhetoric and economic actions demand greater sacrifices without offering anything in exchange.

The people's income will fall dramatically. In one direct, oppressive blow, salaries will lose an average 22 to 25 percent of their purchasing power (if inflation is 42 to 50 percent). This is equal to the 90 to 115 percent deterioration accumulated over the Salinas regime, given that the salary increases officially decreed were lower than the expected inflation rate.

Indirectly, thanks to the PRI's [Institutional Revolutionary Party] steamroller—upholding its servility to the executive and behind the people's backs—it approved the 50 percent hike in the VAT [value-added tax], which will undermine salaries even more.

There will hardly be a salary to escape deterioration. The least they will shrink will be 22 percent; therefore, in relation to their historic high in 1976, they have an accumulated loss of 73 percent. In other words, one peso of that year now has the purchasing power of 28 centavos. [numbers as published]

In 1993, the average salaries under contract and in the manufacturing sector experienced a deterioration similar to the minimum wages, while their loss in 1980 terms will be 48.5 and 43.9 percent, respectively. This type of income deterioration can be even greater as nothing guarantees they will receive payment for productivity and the additional 10 percent that the minimum wages should obtain.

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According to Miguel Orozco and Gabriel Velazquez of UNAM [National Autonomous University of Mexico], salaries in the nation will be among the lowest in the world, even lower than those in Honduras, Guatemala, Costa Rica, Hong Kong, and Korea.

The ghost of unemployment and the crisis in the union sectors are two factors that will most certainly pave the way for salaries to plummet and workers to come to a standstill.

On the employment side, the matter will be equally dramatic. The loss of jobs will climb this year to more than 1 million as the recession turns out to be greater than what was officially expected: 4 percent instead of 2 percent—according to estimates by the Center of Economic Studies of the Private Sector and the Group of Associated Economists.

This, coupled with the 500,000 jobs lost in 1994 and the 2.2 million persons who entered the labor market in the past two years—who will be left by the wayside—will generate a clear jobless rate of almost 4 million. This will raise the rate to almost 6 percent, one of the highest since 1983.

Combined with underemployment, the jobless problem in 1995 will affect almost 30 percent of the total economically active population.

The labor drama in Mexico is ominous. According to Luis Calva, UNAM researcher, between 1983 and 1994, approximately 10.4 million people were jobless. This year that number will climb to 12.5 million.

Even greater cause for concern is that for the rest of the century, if the economy is focused on reaching a one-digit inflation rate, the number of jobless in the neoliberal era will reach 18 million persons.

That is because the only way to occupy 1 million more people annually, according to Calva, is for the economy to expand, on average, 10 percent annually, taking productivity into consideration. With Zedillo's strategy, in the best case scenario, it will grow scarcely 3 percent close to the year 2000.

The people's impoverishment is more acute. According to Julio Boltvinik, a College of Mexico researcher, the total number of poor people grew from 48.5 million to 66 million between 1981 and 1992.

Repercussions will be more dramatic in rural areas of Chiapas, Oaxaca, Guerrero, Michoacan, Hidalgo, and Puebla, among others. These areas are known as "the backbone of poverty." It is where 70 percent of the nation's destitute live and where infant mortality and malnutrition levels are similar to those in Biafra and Bangladesh, some of the poorest nations in the world.

Even if social public spending is maintained at slightly more than 10 percent of GDP, it will not be as efficient as expected for at least two reasons: it will be fixed on reduced real expenditures, and it will be destined for a larger population.

Not even immigration to the United States appears to be an escape valve. Its immigration policy and the increase in costs of transferring persons who attempt to enter its territory prevent such a alternative.

In this spirit, the destiny of the unemployed will be clear: They will increase the ranks of the informal economy and of criminals.

Concanaco Forecasts Loss of 700,000 Jobs in 1995

PA2603235095 Mexico City UNOMASUNO (ECONOMIA Supplement) in Spanish 23 Mar 95 p 2

[FBIS Translated Excerpt] Jalapa, Veracruz, 22 Mar—Concanaco [Confederation of National Chambers of Commerce] believes that this year the nation will lose more than 700,000 jobs because the economic crisis is slowing down production. This warning was issued by German Gonzalez Quintero, leader of Concanaco, which groups together businessmen from all across the nation.

Economic Crisis Slows Growth of Production

He added that, if the peso's current value vis-a-vis the dollar remains the same over the next four months, inflation likely will hit 27 percent, because the effects of applying the new VAT [value-added tax], which goes into effect in April, must be added to the effects of a weakened peso. Interviewed in this city, the national business leader noted that the fiscal measures implemented by Ernesto Zedillo's government have managed to stabilize our currency and curb inflationary pressures, which could have driven the exchange rate to nine pesos per dollar. The president's decision prevented a situation which, for Mexicans, would have been "scandalous and severe," he said. [passage omitted]

According to Gonzalez Quintero, the automobile industry is being hardest hit by the financial collapse because of a decline in sales in the first two months of the year. He added that the crisis will test the strength of the economic foundations of businesses. Only those with strong foundations will be able to survive, he concluded.

Canacintra President Cited on Effects of Recession

PA2503212495 Mexico City UNOMASUNO (ECONOMIA Supplement) in Spanish 23 Mar 95 p 2

[Report by Amalia Frias Santillan]

[FBIS Translated Text] Canacintra [National Association of Manufacturers] President Victor Manuel Terrones Lopez yesterday warned that a widespread recession is continuing throughout the nation's industrial sector, and he predicted the closing of more micro-businesses and small companies, "because this year, far

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from creating new jobs, industrial sources forecast that 250,000 people will be left jobless in the manufacturing sector alone. In addition, capital flight is continuing, albeit at a slower rate. Because of this, it is necessary to lower interest rates to enable businesses to survive."

Meanwhile, Concanaco [Confederation of National Chambers of Commerce] President German Gonzalez Quintero said the trade, services, and tourism sectors continue to demand that the authorities "carry out aggressive, joint actions to fight contraband, including piracy [preceding word published in italics], which harms the nation's economic structures and contributes to heighten distrust in the legal system."

Interviewed following the opening ceremony of Expo-Toys '95, which was held two months earlier than usual this year, Terrones Lopez said that, because of continuing business closures, particularly microbusinesses and small companies, Conacintra has kicked off "an Investment Unit (UDI) program designed to prepare industrialists for the financial rescue of companies."

Terrones Lopez also demanded that the National Finance Bank (Nafin) and the National Foreign Trade Bank of Mexico (Bancomext) "reassume their roles as established in the basic law, set up new financial models, and assume investment risks necessary to rescue companies as soon as possible."

Terrones Lopez noted that it has been very discouraging to the industrial sector to acknowledge it must lay off employees, and "this is why we have opened talks with labor unions to seek viable joint solutions that will help us retain as many jobs as possible."

Terrones Lopez added that it is imperative to coordinate with the Tax Advisory Committee, because, although a 50 percent increase in the VAT [value-added tax] has been imposed, "which all businessmen oppose, because we do not want any tax increase, it is necessary that this tax be in force 12-18 months while the national economy recovers. There are so many financial burdens upon companies that they can barely support them with much difficulty." [sentence as published]

Nevertheless, the Canacintra president assured us that, despite the seriousness of the crisis, "this does not mean the nation will fall apart while the government is drafting its National Development Plan, which is slated to be announced by 31 May. We must understand that we are a very large country and that Mexico will not vanish. Anyone who says this will happen is exaggerating."

Terrones Lopez also denied that all Mexican industry is "in agony," because, while it is true that some sectors are in recession, such as the construction and automobile sectors, others are growing, such as the export, mining, and chemical sectors, albeit only the largest companies. "This is why I insist that workable financial options must be found for all companies."

Regarding the 10 percent salary increase, he said there is unanimous support to grant it, "and in some industries, in collective labor agreements, increases exceeding 10 percent likely will be approved, but this will depend on the financial situation of each individual company."

Terrones Lopez concluded by saying Canacintra is working with the Finance and Public Credit Secretariat to ensure that, beginning in 1996, "there will be a dramatic change in fiscal policy and more breathing room in tax issues for companies, because fiscal policy must promote business. We also are demanding a substantial lowering of taxes on assets."

The Concanaco leader demanded that the private sector "find innovative ways to allow enterprises to enter new markets more efficiently and offer more benefits to their production units and consumers." He explained this by saying, "This Mexico, the one in crisis, wants its entrepreneurs to be imaginative and creative and to persevere, not only to overcome the current situation, but to draft a new economic model for the 21st century."

He regretted that contraband items were being sold by black market merchants. "This is even supported by the authorities and the political parties under the pretext of helping the popularly misunderstood underground economy," he said, adding, "the illegal nature of this harms the economy and generates distrust of our state of law."

Canacintra Supports Investment Units Plan

PA2603195695 Mexico City LA JORNADA in Spanish 24 Mar 95 p 47

[Report by Jorge Torres]

[FBIS Translated Text] Torreon, Coahuila, 23 Mar—Victor Manuel Terrones Lopez, president of the National Association of Manufacturers [Canacintra], today said that the federal contribution of 65 billion new pesos for restructuring Mexican industries, by way of the Investment Units (UDI), will help rescue a large number of micro and small enterprises. It will give them time to restructure their finances.

The leader explained that unfortunately, the UDI's represent 15 percent of total credits currently held with the commercial banking sector. "This means that the funds will reach those industries that need them most; those industries that are viable, which, in our point of view, are those that have managed to survive all the calamities and the lack of attention, and the indiscriminate economic opening. That means they are viable. If they were able to endure all of that, each and every one of them deserves to be rescued."

The Canacintra leader said that industries need to progress and they have been unable to do so, because of the asphyxiating interest rates. "It is impossible to work under such a system. This is why we have asked the financial authorities, more specifically the Bank of

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Mexico, to seek other means. They will not solve anything by raising interest rates to 80 and 70 percent. On the contrary, they are seriously jeopardizing the economy of these industrial enterprisers."

Canacintra Wants Petrochemical Plants Sold on Stock Market

PA2403153295 Mexico City EL FINANCIERO in Spanish 23 Mar 95 p 30

[Report by Isabel Becerril]

[FBIS Translated Text] Mexican industrialists have demanded that alternatives be found to ensure that secondary petrochemical plants do not pass into the hands of foreigners. If that were to happen, the country would run the risk of losing its sovereignty in that area and would have to depend more on imported raw materials.

Gilberto Ortiz, president of the petrochemical section of Canacintra [National Association of Manufacturers], said that because of the country's current economic crisis, no national secondary petrochemical firm today is financially able to purchase the plants that the government wants to sell in this sector.

Faced with this situation, the country's petrochemical organizations will fall into the hands of foreign investors, which creates the possibility of the petrochemical sector no longer being a pillar of the Mexican economy.

"We must not allow our secondary petrochemical plants to be sold like scrap iron with foreigners giving us nothing for them."

To avoid such a situation, "and to make the federal government understand that there are other options to obtain money in this sector without losing control over it," the industrialists of the Canacintra petrochemical section will travel to Coatzacoalcos on Friday to meet with the directors of Pemex [Mexican Petroleum] Petroquimica and present to them, once again, the proposal that the sector change to the stock market system [bursatilizacion].

Ortiz explained that, with such a program, Pemex would have the option of getting more resources "from the sale of shares" without losing its control over the petrochemical sector. This would also allow industrialists to participate in the sector's development "and not be left out of the ball game."

Federal authorities must be aware that if the national private sector has the opportunity to buy part of the petrochemical plant stock placed on the stock market, private initiative will cooperate enthusiastically to develop the sector.

He said Canacintra does not agree with the two proposals made for the secondary petrochemical plants. "We do not believe that with the sale of those plants the initial steps for the total privatization of Pemex are being made."

The industrialists in this sector would have a middle position because the government would give the private sector the opportunity to participate by putting the plants on the stock market.

According to Ortiz, this is a good proposal because Pemex would not lose its participation in the sector, would preserve its rights in the sector's growth, and would obtain more resources.

This sector is the pillar of growth in any country. In our nation, this sector could get Mexico out of its current economic crisis.

In conclusion, he said it is necessary for Mexicans to stay with the secondary petrochemical sector because it is the only way the country will be able to have well-integrated production chains and "not be subject to foreign countries."

Concamin Urges Structural Change in Production

PA2603231495 Mexico City LA JORNADA in Spanish 24 Mar 95 p 47

[Report by Raul Llanos Samaniego]

[FBIS Translated Text] Fernando Cortina Legarreta, president of the Confederation of Industrial Associations (Concamin), yesterday said the nation's production mechanism requires urgent structural change, because what has been done so far has been partial and has made it impossible to achieve healthy and sustained growth. To delay this, he explained, would cause serious damage to Mexico.

Meanwhile, Enrique Aranzabal, outgoing president of the National Chamber of the Textile Industry (Canaintex), said current interest rates and an unstable exchange rate "are jeopardizing production." He added that, should this trend continue, "many businesses will be unable to survive. I do not think I am exaggerating when making the this statement. We hope stability returns to enable us to continue working."

Nevertheless, according to Decio de Maria, Secofi [Commerce and Industrial Development Secretariat] under secretary of foreign trade, domestic and foreign businessmen continue to have faith in Mexico and are interested in investing their dollars in our country. He denied that projects have been canceled or capital withdrawn as a result of economic instability.

At a Canaintex National Assembly meeting, Fernando Cortina Legarreta, leader of the industrial organization, said the country's structural modernization can no longer be delayed, because should it not take place, Mexico will be doomed to depend on foreign nations, which will result in recurrent crises.

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Speaking to Secofi officials and representatives of the national private sector, Cortina Legarreta noted that Mexican production cannot continue to endure sacrifices that do not bear fruit.

He stressed that, in the wake of the current instability, many businesses continue to shut down and unemployment continues to grow, and therefore concrete actions are required to recoup the confidence of all productive sectors, as well as to restore industrial policies that reduce the obstacles faced by businesses in their day to day operations.

Enrique Aranzabal, who is leaving his post today, said in his final speech that Mexico has been immersed in an unprecedented economic crisis since late last year. Economic variables such as interest rates and exchange rates have fluctuated without control, making everyday operations extremely difficult.

"We have discussed the need to have an overall plan that allows us to talk about mid- and long-term goals, and to integrate these plans within an overall industrial policy," he emphasized.

Later, Aranzabal said that, given the disadvantageous relations this and other sectors have in international markets, several years ago the federal government was asked to adopt the same control measures that international trade organizations have established to regulate domestic markets and to ensure that our main trading partners abide by these measures.

He said: "President Ernesto Zedillo announced the incorporation of tariffs at the designated limit and the establishment of temporary protection measures for some productive sectors. The Mexican textile industry has asked to join this plan, and we expect a favorable reply."

Decio de Maria, who participated on behalf of Commerce Minister Herminio Blanco Mendoza, noted that Secofi still has no figures on foreign investments Mexico, but a reduction in this capital is ruled out for the time being.

In an interview after the session, he said that, quite the contrary, Secofi has received many applications from foreign investors, mainly from Japan, the ROK, and the United States, who want to establish joint ventures in Mexico.

To conclude, he said the establishment of tariffs for textile byproducts, footwear, and leather goods might be announced in two weeks to protect these goods from nations with which there are no trade treaties.

ABM Initiates Plan To Reorganize Overdue Portfolios

PA2503223295 Mexico City XEW Television Network in Spanish 0430 GMT 25 Mar 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Mexican Association of Bankers [ABM] President Jose Madariaga Lomeli has informed industrialists that in April commercial banks will initiate a 140-billion new peso rescue program to reorganize the overdue portfolios of Mexico's productive sector.

Madariaga, who took part in the economic emergency seminar organized by Canacintra [National Association of Manufacturers], said this program, the first phase of which he summarized, will apply the newly created Investment Units [UDI's].

[Begin Madariaga recording, in progress] ...which, to start with, is worth 75 billion new pesos. This will allow us to meet the needs of credit holders, whether or not their portfolios are overdue. They will be able to reorganize their credit under a system of UDI's, featuring longer terms ranging from five to 12 years. [end recording]

Mr. Madariaga pointed out that this first phase will only be open to those firms with debts of 300,000 new pesos or less. The second phase will consist of allotting 30 billion new pesos for mortgage credits for terms ranging from 15 to 25 years. In the third phase, Mr. Madariaga said, companies that have debts in dollars will receive assistance amounting to $5 billion, which will allow them to convert these debts into pesos under a 12-year plan.

Madariaga said the availability of resources amounting to [words indistinct] billion new pesos represents 20 percent of the total overdue portfolio.

Iron, Steel Industries Anticipate Growth in 1995

PA2703172595 Mexico City NOTIMEX in Spanish 0316 GMT 27 Mar 95

[FBIS Translated Text] Mexico City, 26 Mar (NOTIMEX)—Business sources disclosed today that Mexico's iron and steel industries in 1995 expect to export over 5 million tons of steel products estimated to be worth $1.750 million.

A document released by the National Chamber of the Iron and Steel Industry (Canacero) pointed out that Mexican iron and steel works have exported 50 percent of their production in 70 days.

The document underscored that despite the Mexican financial crisis, which began with the peso devaluation on 20 December, the steel industry is functioning at full capacity due to an aggressive export policy.

Iron and steel companies, the document states, are capable of fulfilling the obligations they have contracted in foreign currencies and of pursuing their development and modernization programs.

Companies such as Mexican Steel Mills, Inc. (AHMSA), Tin and Plate (HYLSA), Lazaro Cardenas-Las Truchas Steel Works (Sicartsa), IMSA [expansion unknown], Sidek [expansion unknown], Villacero [expansion

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unknown], and San Luis Steel have invested over $2.478 billion in industrial reconversion projects.

At the end of 1995, the document explains, Mexico's iron and steel works will have a full operating capacity of 11.5 million tons annually, 1 million tons more than last year, using advanced technology.

Canacero also explained that the opening of a HYLSA laminated steel plant, the expansion of AHMSA, and the possible reopening of the iron ore mine in La Perla are indications of the anticipated growth in the iron and steel industries.

Canacero President Alonso Ancira confirmed the information in the document in Saltillo, a city in northern Mexico, during a tour of the area by Mexican President Ernesto Zedillo.

Ancira, who is also president of AHMSA's administrative council, said that in 1995 this company will produce 3.1 tons of steel and export 1.5 million tons, twice as much as last year.

Union Opposes Ending Agrarian Reform Secretariat

PA2703024595 Mexico City UNOMASUNO in Spanish 24 Mar 95 p 10

[Report by Griselda Sierra Valencia]

[FBIS Translated Text] Agrarian Reform Secretary Arturo Warman yesterday told SRA [Agrarian Reform Secretariat] labor leaders the secretariat under his control will not be disbanded because its existence is mandated by the Mexican Constitution. He added that he will soon disprove reports that claim the SRA will be eliminated.

Warman held a private meeting with leaders of the National Union of SRA Workers. Juan Andalon Serra and Leonardo de Jesus Castillo, the organization and labor secretaries of the union, respectively, said Warman also told them he will soon talk with President Ernesto Zedillo to ensure that all SRA jobs are retained.

Meanwhile, peasant coordinator Hector Hugo Olivares advocated an in-depth revision of all agencies that attend to peasant needs. He said the point is not to abolish essential services, but to render them rationally and to guarantee that the entire government works to meet the needs of peasants quickly and fully, without confusing issues and without incurring excessive expenses.

Meanwhile, as all of this was happening, unofficial reports said the SRA will be eliminated and that a Rural Development Institute will be created to take over its pending responsibilities.

A plenary session of the Permanent Agrarian Congress (CAP), however, vowed to strongly oppose the SRA's elimination, because the secretariat has traditionally helped maintain social harmony in the countryside.

Also, Hector Hugo Olivares said it is necessary to conduct an in-depth revision of the Agrarian Law Office, as well as to review the results achieved by the Agrarian Courts and the progress of the SRA, to open the door to practical proposals instead of the elimination of essential things. This will help eliminate unnecessary expenses and better use resources to meet social demands.

He added: "We have talked with acting CNC [National Peasant Confederation] Secretary General Beatriz Paredes Rangel, and we want to present parallel alternatives to prevent confusion; in other words, it should be clear that the Chamber of Deputies' suggestion does not necessarily translate into the SRA's definite closure or the dismissal of employees."

Nevertheless, he insisted that the function of various government agencies must be specific—"where, when, and how"—because they should not comprise a bureaucratic labyrinth. He noted that peasants are currently sent from one agency to another without ever getting their problems resolved, and this must stop immediately.

Meanwhile, dozens of SRA labor union members participated in a sit-down strike at the SRA facilities, demanding that the SRA stay open and continue to employ its 11,000 organized workers.

They also sent a letter to the National Congress reporting that the proposal for the SRA's closure is a cover-up for dangerous and detrimental plans against the Mexican people—plans that favor a conglomerate, namely, the nation's businessmen.

The document, signed by union Secretary General Moises Aguiniga, said this measure proves its supporters are trying to establish a land monopoly that favors businessmen. It added that this would worsen the peasant sector's situation, because, following the elimination of the SRA—the only government entity capable of preventing chaos in the area of legal land ownership—there would be no obstacle to a land monopoly.

The document also said everyone knows how important the SRA has been, because it has guaranteed social harmony in the Mexican countryside. It added that, given the conflicts that have proliferated in various states of the republic, the SRA's role is much more important for the solution of social agrarian problems.

The letter also said workers are aware that agrarian distribution is about to end, but in no way should this be taken as a sign that the SRA's social role has concluded, because it still has social duties that are vital for the country's development.

'Confidential' Sources: Peace Talks To Start 25-29 Mar

PA2403140795 Mexico City REFORMA in Spanish 23 Mar 95 p 10A

[Article by Miguel Angel Juarez, Clara Torres, and Alicia Ortiz]

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[FBIS Translated Text] The resumption of talks between the representatives of the government and the Zapatist National Liberation Army [EZLN] will take place between 25 and 29 March, confidential sources said yesterday.

They added that the EZLN and the government, through the National Mediation Commission [Conai], are negotiating the date for their meeting in the jungle of Chiapas.

The sources stated that four sites for the resumption of the talks were narrowed down to two: La Garrucha and La Sultana, located in the gorges near San Cristobal de las Casas.

They noted that if a deal on the site for the talks is not "sealed" by 25 March, the government will face the pressure of society, and on 26 March, the beginning of a huge demonstration to support [Bishop] Samuel Ruiz. This would reduce the government's flexibility.

Deputy Martin Longoria, of the PRD [Party of the Democratic Revolution], maintained that if the talks do not start on those days, it will be a defeat for the government and will mark the start of a civil war in Chiapas.

He added that national, international, civilian, and human rights organizations are coordinating efforts with the Conai to establish a civilian chain [cordon civil] in La Garrucha and La Sultana.

The agenda that the Mexican Government Secretariat sent to the EZLN stated that the Zapatists have 15 days to consult with their rank and file and return to the negotiation table to give a definitive answers and sign a peace agreement, PRD Senator Guillermo del Rio Ortegon said yesterday.

He added that the document contemplates the integration of the Zapatists into national political life. If there is no agreement on one issue during the negotiations, they would immediately go on to another topic to avoid breaking up the talks.

In the afternoon the Harmony and Peace Commission held a working meeting to discuss the new steps that this group must adopt.

In a communique it stated that there is a waiting period in process, in keeping with the time frame established by the main players of this preparatory phase of the dialogue.

The legislators said they will continue to promote with the various social sectors the signing of harmony and social peace agreements to create the atmosphere of trust and security required to start the talks.

They pointed out that they will continue to make efforts to ensure the return of displaced groups takes place with material and security guarantees and within an atmosphere of harmony and conciliation.

Gurria: No Evidence EZLN Receiving Central American Arms

PA2503231495 Mexico City NOTIMEX in Spanish 2123 GMT 24 Mar 95

[FBIS Translated Text] Mexico City, 24 Mar (NOTIMEX)—The Mexican Government has no evidence that the armed group operating in the southeastern State of Chiapas is receiving weapons from Central America, Foreign Secretary Jose Angel Gurria confirmed today. The foreign secretary noted that there is no evidence to prove that the Zapatist National Liberation Army (EZLN), which emerged on 1 January 1994, is using military supplies from El Salvador or Nicaragua.

At a news conference following the inauguration of the fifth meeting of the Mexican-Guatemalan Binational Commission, Mexico's chief diplomat denied statements by Honduran authorities concerning the shipment of arms from Nicaragua's Sandinist National Liberation Front. Gurria added that reports also have been received on the presence of certain EZLN members in the Central American region, "but we do not have evidence to confirm any gunrunning activities."

On Wednesday, Colonel Roberto Larazuz, chief of the Honduran public security forces, said that, according to reports from the region, there are indications his country is being used to help traffic weapons from Nicaragua and El Salvador to the group operating in Mexico.

"We have received information from Central American police forces that these inventories (of weapons used in the internal conflicts in Nicaragua and El Salvador) have turned up in Colombia for the drug cartels and in Mexico for the Zapatist guerrillas," Larazuz remarked. The police chief concluded, "We do not have any evidence, only indications that weapons from these inventories have turned up in the aforementioned areas."

Guns From El Salvador Smuggled to Mexico's EZLN Rebels

PA2703020695 Mexico City XEW Television Network in Spanish 0430 GMT 25 Mar 95

[From the "24 Hours" newscast]

[FBIS Translated Excerpt] El Salvador's police chief today decried the fact that arms are being smuggled into the country for the EZLN [Zapatist National Liberation Army].

El Salvador is again involved in gunrunning to drug traffickers and the EZLN rebels. Government sources have confirmed that for the past few months it has been known that some of the weapons used by Salvadoran guerrillas during the war might have been sold to well-organized gangs and the EZLN.

National Civilian Police Director Rodrigo Avila said the following:

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[Begin Avila recording] We have confirmed that the serial numbers on some of the EZLN's rifles, thanks to information provided by Mexican sources, are from weapons once used in El Salvador. These weapons came from Nicaragua at some point in time. [end recording] [passage omitted]

Central America, traditionally considered a bridge for drug trafficking and money laundering, over the past few months has become an operations center for criminal gangs engaged in gunrunning. Even for Monsignor Samuel Ruiz, bishop of Chiapas, this situation is not unusual.

[Begin Ruiz recording] Gunrunning is a very difficult thing to do, but all guerrillas are clever. At any rate, our guerrillas are not engaged in any activity but in a dialogue process. I believe, however, that the challenge lies in finding out where the weapons are coming from. The situation being what it is, however, with the Guatemalan Army on the border and a considerable number of Mexican troops in the area, it is difficult to believe that it would be easy to engage in gunrunning. [end recording]

El Salvador must increase surveillance along its 242 km border with Honduras to prevent the illegal transshipment of weapons.

Army Commander Assures Troops Withdrawn From Conflict Area

PA2403182795 Mexico City EL FINANCIERO in Spanish 22 Mar 95 p 15

[Report by Yolanda Lopez Ordaz]

[FBIS Translated Text] Tapachula, Chiapas, 21 March—General Angel Jorge Lasso de la Vega y Corona, commander of the 36th Military Zone, has given assurances that the Mexican Army has complied with the order (withdrawal from the occupied zone since 9 February), and is cooperating in maintaining peace in the area of conflict to make possible the dialogue between the federal government and the Zapatist National Liberation Army (EZLN).

During the ceremony marking the 189th anniversary of Benito Juarez' birth, the commander of the Mexican Army explained that the nation's Armed Forces, as well as all Mexicans, want the armed conflict in Chiapas to be resolved through dialogue and not through the use of weapons.

Meanwhile, Hildiberto Ochoa Samayoa, PRD [Party of the Democratic Revolution] deputy, acknowledged that there is a willingness on the part of the federal executive to negotiate with the EZLN. Nevertheless, he said: "The military forces represent an obstacle to implementing this."

The legislator admitted progress has been made in creating the conditions which will allow a dialogue between the parties in conflict, as "under the difficult circumstances the nation is going through, no one would profit from a war."

Lawmakers React to Zedillo Statements on PGR Drug Links

PA2503230195 Mexico City Radio ACIR Network in Spanish 0000 GMT 25 Mar 95

[Report by Juan Carlos Santoyo; from the "Evening News Panorama" newscast]

[FBIS Translated Text] Several newspapers today are reporting that high-ranking officials are allegedly involved in drug trafficking activities. There have been a number of reactions from the Senate and the Chamber of Deputies. Juan Carlos Santoyo has the following from the Chamber of Deputies.

[Santoyo] Good afternoon. Undoubtedly statements reportedly made by President Ernesto Zedillo Ponce de Leon in an interview granted to BUSINESS WEEK magazine have prompted numerous reactions. At the Chamber of Deputies, legislators from the Natonal Action Party [PAN], Party of the Democratic Revolution [PRD], and the Institutional Revolutionary Party [PRI] have asked the president to clarify these reports and confirm whether they are true. Above all, however, they say the president must inform the Mexican public and get the people's support for the work the Attorney General's Office [PGR] must carry out at the highest levels of government. This will in turn ensure that investigations solve the crimes and prove whether or not high-ranking officials are involved in drug trafficking.

PAN Deputy Ricardo Garcia Cervantes, a leader of his party's legislative bloc, said the president's statements are somewhat disquieting. They elicit several basic premises, which are: first, the need to act and to act decisively within the PGR, if indeed the PGR has been infiltrated by drug trafficking organizations.

[Begin Garcia recording] Suspicion cannot be solely based on information provided by a common citizen. There must be a commitment to attack and combat the very roots of the problem. If indeed the PGR has been infiltrated by drug trafficking organizations and the president is aware of this, then the people should expect that the problem will be resolved soon. [end recording]

[Santoyo] PRD legislator Pedro Equin Llano said essentially one thing that we must not do is act halfheartedly. If there is indeed this kind of illegal activity going on—in other words, if drug traffickers have infiltrated the PGR—the president must act decisively. Equin Llano also demanded an investigation to determine whether the same type infiltration has reached the business sector, as well as the agricultural and livestock industries [words indistinct] for drugs.

PRI legislator Jose De Jesus Padilla said Ernesto Zedillo Ponce de Leon's statements reflect a healthy attitude,

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mainly because they display the existence of a political willingness to fight crime, particularly drug trafficking. He said there must be unconditional support for the president, especially in this struggle. Above all else, the support the president must receive should lead to the complete cleansing of the PGR and ensure that the investigations are thorough, no matter what the consequences. Legislators in general agree that the time has come to put an end to lip service and begin to act to free our police forces of this evil.

Activities on Anniversary of Colosio's Death

PA2603173295 Mexico City NOTIMEX in Spanish 0443 GMT 24 Mar 95

[FBIS Translated Text] Mexico City, 23 Mar (NOTIMEX)—Representatives of Mexico's political and social sectors marked today the first anniversary of the assassination of presidential candidate Luis Donaldo Colosio with the government's commitment that this crime will be cleared up.

Activities took place in several locations of the country. In Mexico City today, President Ernesto Zedillo reiterated his commitment to clear up the motives of the assassination and identify the masterminds.

"We will not rest until we are convinced that the entire society knows the truth," Zedillo said presiding over the ceremony marking the first anniversary of Colosio's death, which took place in the border city of Tijuana on 23 March 1994.

Zedillo stressed that "this is why I also emphasize today my government's firm commitment to promote a state of right that guarantees public safety and restores social credibility in the administration of justice.

In his message, Zedillo stated that as the president of all Mexicans, he is determined to lead the creation of a country of laws and justice, exercising a mandate in keeping with the Constitution and balanced by the institutions and the branches of the republic.

"My admiration for Luis Donaldo remains intact, my spirit will always remember the pain caused by his death, and his example will prevail in the daily actions of the government," he remarked.

Meanwhile, about 300 people gathered at the Plaza of Unity and Hope in the neighborhood of Lomas Taurinas in the northwestern city of Tijuana, where Colosio was slain a year ago.

There, four girls from the "Luis Donaldo Colosio" Primary School, which was built 50 meters from the murder scene, formed an honor guard to receive for the first time the national flag.

Colosio, a 43 year-old economist and presidential candidate of the Institutional Revolutionary Party (PRI), was assassinated by Mario Aburto Martinez and Othon Cortes Vasquez, according to the investigations.

The night before, Attorney General Antonio Lozano, giving a report on the progress made regarding the case, mentioned that the motive of the crime and the identity of the masterminds remain unknown.

Last February, the authorities revealed that Othon Cortes, who presumably fired the second shot against Colosio, had been arrested.

With this announcement, the Attorney General's Office (PGR) discarded the presumption that Aburto Martinez acted on his own and revived a first line of investigations in which it had worked and that was based on the assumption that the crime was not committed by one person.

In the northwestern city of Hermosillo, Sonora State, Governor Manlio Fabio Beltrones began this morning the ceremony marking Colosio's death by hoisting at half-mast the Mexican flag on the esplanade of the government center.

Accompanied by Martha and Claudia, Colosio's sisters, Beltrones unveiled a bronze statue, which was 4 meters high and weighed 1.5 tons. This statue was erected by sculptor Javier Martinez to pay tribute to the former presidential candidate.

"I want a united, strong, and sovereign Mexico with freedom and peace: Luis Donaldo Colosio Murrieta, 1950-1994" reads the plaque placed on one of the sides of the monument's base. The monument was erected on the avenue that bears the name of the politician.

At the ceremony, Ernesto Rivera, Sonora's health secretary and Colosio's personal friend, stated that Colosio—a native to Sonora—wanted to leave a better future to the country.

A second bronze statue of Colosio was unveiled before Governor Manuel Bartlett Diaz at the park of the Historic Center in the eastern state of Puebla, called "Luis Donaldo Colosio" as of this Thursday.

During the ceremony, PRI Senator German Sierra pointed out that with President Zedillo's political resolve, "we uncovered the schemers of the evil crime."

Diodoro Carrasco, the governor of the southeastern state of Oaxaca, also demanded that the case be totally cleared up because—he said—"the people of Mexico still feel dismayed and outraged."

In Chilpancingo, in the southern state of Guerrero, local deputies observed a minute of silence and committed themselves to work to clear up the crime.

Manuel Pavon, the political adviser of the Confederation of Mexican Workers (CTM), stressed that the best possible homage to Colosio is to fight for his ideas in favor of the lower classes.

Meanwhile, about 100 PRI militants staged a 5-kilometer march through several streets of the city of

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Coatzacoalcos, Veracruz, to commemorate the first anniversary of Colosio's death.

Political leader Jesus Salinas said that this march, from Adolfo Lopez Mateos neighborhood to Independence Park in that city, was staged to ask the authorities to continue with their efforts to clear up this crime.

In Jalisco, the 37 members of the local congress observed a minute of silence in memory of Colosio.

In Aguascalientes, Governor Otto Granados pointed out that "it is the unpostponable demand of the entire society to learn without ambiguities and with absolute truth the motives and the identity of the perpetrators of the crime against Luis Donaldo Colosio."

Interviewed at the end of a commemorative act, Granados said that "Colosio's death remains an irreparable loss for all Mexicans."

In Guanajuato, the PRI members held a mass to commemorate the tragic anniversary, while in Nayarit, Lucas Vallarta, president of the PRI state committee of directors, remarked that his party's position remains "to totally clear up the assassination."

Zeferino Ramos, state leader of the opposition National Action Party (PAN), noted that efforts by the authorities "have been satisfactory and the investigations are different from the ones conducted during the previous administration."

In Michoacan, people voiced their discontent over the investigations regarding the case and demanded that an in-depth investigation be conducted and the masterminds be punished.

Meanwhile, the representatives of the Mexican Bishops Conference and the National Confraternity of Christian Evangelical Churches (Cofraternice) asked that the assassination "be fully cleared up."

In a news conference held in Mexico City, Ramon Godinez Flores, secretary of the Bishops Conference, asked the authorities to continue with the investigations to prevent this crime from going unpunished.

He added that deputies, senators, leaders, religious ministers, and parents, among others, should join efforts to clear up this act of violence.

Tlaxcala Bishop Jacinto Guerrero maintained that "Mexicans should prevent cases of violence like the assassination of Colosio Murrieta from happening again."

Cofraternice President Arturo Farela admitted that the PGR has resumed the investigations on Colosio's slaying satisfactorily.

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Guatemala

Presidency Official on Harbury's Stand on Senator's Letter

PA2403235695 Guatemala City Televisiete Television in Spanish 0400 GMT 24 Mar 95

[From the "Channel Seven News" newscast]

[FBIS Translated Text] Hector Luna, secretary general of the Presidency, has said he is surprised to hear that Jennifer Harbury views a letter from a congressman as evidence:

[Begin Luna recording] I believe the fact Mrs. Harbury has said, apparently, the letter from the senator is enough evidence to prove her husband was killed is very strange. Here in Guatemala, Minugua [United Nations Mission for Guatemala], which is a UN verification mission, the human rights ombudsman, and judicial authorities have conducted an investigation into the Bamaca case, and she did not give them any credit. She has carried out certain actions, such as a hunger strike, which was very surprising to me. I find it suprising she was in the exact same condition 32 days later as when she began; therefore, her hunger strike is quite questionable, as well as where she was. She was [words indistinct] at least in pictures, as they say.

I find it quite surprising that she views a letter from a U.S. senator or congressman as enough evidence. It is a fact she has accepted it, although she did not accept the investigations conducted here, even by nongovernmental organizations. [end recording]

Luna has said the Foreign Ministry will be in charge of commenting on reports that the CIA killed Commander Bamaca and that Jennifer Harbury will now come to Guatemala to demand the corpse of her alleged husband in order to continue developing actions in pursuit of her goals.

President Reacts to Torricelli Report on Bamaca Case

PA2403143095 Hamburg DPA in Spanish 0537 GMT 24 Mar 95

[FBIS Translated Excerpt] Guatemala City, 23 Mar (DPA)—Guatemalan President Ramiro de Leon Carpio said on 23 March that U.S. Congressman Robert Torricelli's report that Colonel Julio Roberto Alpirez, on the CIA's payroll, assassinated a guerrilla leader "is not proof enough." [passage omitted]

Guatemalan Defense Minister General Mario Enriquez said early on 23 March that he was not aware of Alpirez' reported ties with the CIA. Enriquez, however, asked the U.S. Government to "provide all available evidence to determine responsibility."

After defending Alpirez saying that he is "a military man who has done his duty," Enriquez said that, nevertheless, if Alpirez is found guilty, he would "lose all the privileges he enjoys in the Army." The defense minister also reaffirmed the Guatemalan Army's position that guerrilla leader Efrain Bamaca Velasquez was killed in combat in San Carlos.

President De Leon also said that he "expects a more official report" on Alpirez' relationship with the CIA and Bamaca's assassination, because Torricelli's remark "does not constitute sufficient evidence. It is based solely on a newspaper report." He added: "Our reaction to Torricelli's report is through juridical channels." He recalled that he himself, as human rights ombudsman, is investigating the guerrilla leader's assassination.

Bamaca's death has also been reported to the UN Mission in Guatemala, which is verifying compliance with a human rights agreement signed between the government and the Guatemalan National Revolutionary Unity [URNG]; the URNG is negotiating a peace agreement with the government, De Leon concluded.

Says Case Not To Affect U.S. Ties

PA2803013595 Panama City ACAN in Spanish 2355 GMT 27 Mar 95

[FBIS Translated Text] Guatemala City, 27 Mar (ACAN)—Guatemalan President Ramiro De Leon Carpio today denied that the alleged involvement of a Guatemalan colonel with the CIA and the assassinations of a U.S. citizen and a guerrilla leader will affect relations between the United States and Guatemala.

U.S. Congressman Robert Torricelli, a Democrat from New Jersey, has accused Colonel Julio Roberto Alpirez, while working for the CIA, of ordering the assassination of a U.S. citizen in 1990 and Guatemalan guerrilla leader Efrain Bamaca in 1992.

Although De Leon said Torricelli's remarks are "serious," he added that they are directed against the CIA, and he made it clear that the "scandal" is there, in the United States, because the CIA is accused of violating human rights in Guatemala.

De Leon noted that this issue will not affect relations between his country and the United States, and that it will have to be resolved within the United States.

De Leon warned that his government will not issue any official report until it has sufficient and required evidence on Alpirez's presumed involvement with the CIA and the two killings. He added that so far there has only been speculation on this issue, and, in any case, Efrain Bamaca's death will be investigated by the Truth Commission. This commission was created by his government and the guerrilla movement within the framework of the peace negotiations.

De Leon Carpio remarked that he could not say whether there was any interference by the CIA in previous administrations, but he said that "this will never be allowed" in his administration.

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"We will not accept intelligence (espionage) information from other countries, only ours," he stressed.

He added that the charges made by Torricelli prove Bamaca is dead, as he has maintained, and they also reaffirm "there are no secret prisons" in Guatemala. De Leon stressed that the scandal triggered by Torricelli's remarks claiming that Bamaca was tortured to death will have to be cleared up in the United States and not in Guatemala.

Urges CIA To Clarify Alpirez Status

PA2403235195 Guatemala City SIGLO VEINTIUNO in Spanish 24 Mar 95 p 62

[FBIS Translated Text] Guatemalan President Ramiro De Leon Carpio has called on the CIA to clarify if Colonel Julio Roberto Alpirez is a paid CIA agent. The president made this request during a telephone conversation with a UNIVISION Television Network journalist.

Referring to the charges made by U.S. Congressman Richard Torricelli, the Guatemalan president has affirmed that the CIA must officially report whether or not Alpirez works for them. He has said, however, that the Army will investigate the case.

Asked whether such an investigation would endanger the stability of his government, De Leon Carpio said no, because the policies he has supported are very clear. For example, I ordered the dismissal of the defense minister shortly after I assumed the Presidency, and I believe an investigation to clarify the Army's role in those cases will not trigger considerable repercussions, the president has said.

In any case, it was the CIA who killed Bamaca and Devine, De Leon Carpio has said in reference to the alleged participation of the Guatemalan officer in the murder of U.S. citizen Michael Devine and guerrilla commander Efrain Bamaca Velasquez, also known as Commander Everardo.

Prosecutor General Asks Minister To Locate Colonel

PA2403234995 Panama City ACAN in Spanish 1938 GMT 24 Mar 95

[FBIS Translated Text] Guatemala City, 24 Mar (ACAN-EFE)—Relations between the United States and Guatemala have taken an unexpected turn due to the alleged involvement of a Guatemalan military officer, on the CIA payroll, in the murders of an American and a Guatemalan guerrilla leader.

Guatemalan President Ramiro De Leon Carpio took a head start today and said in brief statements to the media that U.S. Congressman Robert Torricelli's (a democrat from New Jersey) charges will not destabilize his government.

De Leon asked the CIA to explain whether Guatemalan Colonel Julio Roberto Alpirez is working for them. Torricelli has accused Alpirez of ordering the murder of U.S. citizen Michael Devine in 1990 and Guatemalan guerrilla Efrain Bamaca in 1992.

According to the local media, the CIA's intervention in Guatemalan domestic affairs date back to 1954 when it organized, led, and financed the overthrow of Guatemalan President Jacobo Arbenz Guzman.

It also prepared an invasion against Cuba from this country in the 1960's, but the action failed when the troops were detected and repelled at the Bay of Pigs.

Relations between the two countries began to deteriorate since the murder of Michael Devine in the jungle region of Peten in June 1990, because the State Department froze its military aid to the Guatemalan Army in December of that year.

Relations were again shaken last year due to the attacks on two U.S. citizens accused of stealing children. The U.S. Government suspended more assistance for the Army this year for a lack of progress in the Devine and Bamaca cases, among others.

The U.S. Embassy and Government in Guatemala have not issued any official information on the status of the relations following the statements made by Torricelli.

The officer, whose whereabouts are unknown, whom the congressman has said is responsible for ordering both crimes is subcommander of La Aurora Military Base in Guatemala City.

Prosecutor General Ramses Cuestas said today he has asked Defense Minister General Mario Rene Enriquez to locate Colonel Alpirez in order to hear his version of his alleged CIA connections.

Cuestas said the Prosecutor General's Office "will not allow the situation to go as if nothing happened," adding he has asked the Foreign Ministry to request, through the Guatemalan Embassy in Washington, a copy of the document disclosed by the congressman.

Torricelli's report has triggered various commentaries in the press, where his remarks have been considered "grave" by certain columnists, while others [sentence as received]

The daily LA REPUBLICA has stated that although the situation is "complex," it can be a "relief" for Ramiro De Leon Carpio's administration, because Washington will now have more responsibility than Guatemala in clarifying the guerrilla's death.

The guerrilla's wife, U.S. citizen Jennifer Harbury, has probably "uncovered one of the biggest scandals of the past few years in Central America," said LA REPUBLICA's commentary.

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Meanwhile, PRENSA LIBRE has stated this time is the first in many years that an official U.S. source has openly said that a top Guatemalan officer has worked for the CIA and that those accusations "are very grave for Guatemala."

According to PRENSA LIBRE, the "scandal" unleashed by Torricelli's statement does not free Guatemalan authorities of responsibility, because, it says, Bamaca was arrested and died in the hands of his captors.

Defense Minister Henriquez said yesterday Alpirez will not be removed from his post as long as it is not proven in court that he was responsible for the murders of Devine and the guerrilla leader.

Enriquez expressed doubts that Alpirez worked for the CIA. "To my knowledge, no member of the Armed Forces has worked for the CIA. I was not aware he was a CIA agent," Enriquez has said.

He has admitted that there can be "a friendly" exchange of information but that "receiving payment for it is shameful and hurts the Army's dignity."

Questions Alpirez, Continues Investigation

PA2803030095 Mexico City NOTIMEX in Spanish 0125 GMT 28 Mar 95

[FBIS Translated Text] Guatemala City, 27 Mar (NOTIMEX)—Guatemalan authorities today announced they would conduct an in-depth investigation into the case of missing guerrilla leader Efrain Bamaca, who allegedly was assassinated on orders from the CIA.

After questioning Colonel Roberto Alpirez, who is accused of being involved in the assassination, Prosecutor General Ramses Cuestas said, "We are going to continue our investigations to determine what really happened in the Bamaca case."

Cuestas said the prosecutor assigned to the case, Leonel Machuca Quiroa, may soon travel to Washington to obtain statements from guerrilla Santiago Cabrera—one of the last people to see Bamaca alive.

U.S. Democratic Congressman Robert Torricelli charged that Alpirez was paid by the CIA, which created an uproar in Guatemala.

The prosecutor general also said that in the case of Michael Devine, a U.S. rancher who was killed in Guatemala in 1990 and whose assassination Torricelli also linked to the CIA, the case will be reopened. Five military officers involved in the crime have already received sentences of 20 to 30 years in prison.

Cuestas pointed out that, for the time being, his office has not made any contact with the CIA, the State Department, or the U.S. Embassy in Guatemala. He explained that the Guatemalan ambassador in Washington, Edmond Mulet, will collect all of the necessary information and will forward it to the Prosecutor General's Office to continue with the criminal investigation.

According to the Army's version, the missing commander of the Revolutionary Organization of the People in Arms was killed during a clash with Army troops in the western department of Retalhuleu in 1992. Bamaca's wife, U.S. lawyer Jennifer Harbury, however, claims the guerrilla leader was held prisoner in a secret Army prison—a theory supported by Cabrera, who reportedly escaped from a military base where the rebel leader was held prisoner.

Alpirez is testifying before the Attorney General's Office in an effort to determine his guilt or innocence in the assassinations. Cuestas added that if Alpirez is found guilty, he could be sentenced to several years in prison and could also face a military court martial.

"The military officer has the right to defend himself, and we must remember that everyone is innocent until proven guilty," the prosecutor general said.

Fire, Blasts Near Military Warehouses Close Airport

PA2603221195 Panama City ACAN in Spanish 2022 GMT 26 Mar 95

[FBIS Translated Text] Guatemala City, 26 Mar (ACAN-EFE)—At least one fireman and one soldier have been killed today while trying to extinguish a fire that is raging in one of several military warehouses in the southern part of the capital, according to reports from public safety organizations.

A spokesman for the Guatemalan Fire Department said the dead, who have not yet been identified, were burned to death, while six other injured rescue workers were transferred to private hospitals.

The "extensive" fire is burning near installations run by the Guatemalan Army's Engineers Battalion in an area in the southern part of this capital and near the national airport, military and public safety sources reported.

Although the causes of the fire and the nature of the stored materials remains unknown, at least three large explosions have been heard as far as several kilometers away.

One source from the Army Information and Press Department (DIDE) told ACAN-EFE that, in the area, there are several warehouses that contain construction materials and one that houses munitions. The fire reportedly began at 1300 (1900 GMT), according to firemen who quickly arrived at the scene. At least six public safety personnel have suffered smoke inhalation or have been injured in the blasts.

Civil Aeronautics authorities have suspended all traffic at La Aurora International Airport to prevent accidents.

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Rescue personnel and some 20 firefighting units from the Fire Brigade and the Army are evacuating the area and trying to contain the fire. The flames are threatening to spread to other buildings.

The Sonora Radio News Network, which is covering the events, is urging people to stay away from the area.

The burning installations are located just a few meters away from the Army Administration Officer's Club, located at the air terminal and near a residential area.

Rescue services have had to leave their units at the site fearing the explosion of an Army truck loaded with grenades and another with fuel. They say the blaze is out of control.

National Police and the Army Engineers Battalion have cordoned off the main roads leading to the area because burning debris is being thrown into the air by the explosions.

De Leon Announces Investigation

PA2703040795 Mexico City NOTIMEX in Spanish 0310 GMT 27 Mar 95

[FBIS Translated Excerpt] Guatemala City, 26 Mar (NOTIMEX)—Guatemalan President Ramiro De Leon Carpio tonight said the fire that erupted at a military installation earlier in the day could have been started intentionally. The blaze left three people dead and at least 11 others injured.

In statement made to the press this evening at the site of the disaster, De Leon made it clear that investigations will determine the cause, and he added that, as of Sunday night, he was in no position to do so. Nevertheless, he did not rule out the possibility of the fire having resulted from an attack.

Defense Minister Mario Rene Enriquez, who accompanied De Leon, agreed with the president, saying an exhaustive investigation, which began this evening, will uncover the cause of the blaze. Saying he would not speculate, the defense minister added that all possible causes will be taken into account by the investigation. [passage omitted]

Armed Forces Patrolling Streets To Halt Crime Wave

PA2803001295 Guatemala City PRENSA LIBRE in Spanish 27 Mar 95 p 4

[FBIS Translated Text] According to the Army Information and Press Department, DIDE, effective today, Armed Forces troops will patrol the streets to face the rising wave of violence frightening Guatemala City residents.

The press office reported the reasons behind the military's participation in the efforts to combat common crime, which has become worse in recent weeks with many kidnappings, car thefts, homicides, and other cases that have not been solved by the National Police General Directorate.

DIDE explained that the order came from President Ramiro De Leon Carpio, who intends to use the military patrols to crack down on organized groups responsible for violence.

At midweek, De Leon Carpio spoke of forming a so-called Antikidnapping Commando Group made up of specialized agents from the security forces. The group's main task would be to prevent kidnappings and murders.

The Mutual Support Group, GAM, blamed clandestine groups supported by state security agents for the wave of kidnappings and murders. According to GAM, 83 people were kidnapped in the past 80 days, and more than 200 people were murdered by paramilitary agents linked to the security forces.

GAM leader Nineth Garcia criticized the government for sending military troops to patrol the streets, stating it is a plan to increase the militarization of Guatemalan society.

DIDE explained that the Armed Forces will patrol the streets in view of the considerable increase in common crime, but noted that this the measure is in accordance with Article 244 of the Constitution.

Honduras

Foreign Ministry Official on U.S. Cancellation of Visas

PA2803042395 San Pedro Sula TIEMPO in Spanish 27 Mar 95 p 31

[FBIS Translated Text] Tegucigalpa—Acting Foreign Minister Roberto Arita Quinonez has said he is awaiting a reply from the U.S. Embassy to explain why it decided to cancel the visas granted to a group of 17 Honduran citizens.

Arita Quinonez sent a note to the National Congress in reply to a motion approved by the Legislative Branch on 21 February, asking the Foreign Ministry to report what measures had been adopted in light of the diplomatic mission's position.

Following a 24 December evening incident in which Vietnam veteran Charles Culp was injured, the U.S. Embassy decided to cancel the visas of 17 Honduran citizens who live in the posh neighborhood of Lomas del Maya. The "gringo" was complaining about children who were detonating firecrackers to celebrate Christmas.

Arita Quinonez sent the Legislative Branch a note on 10 March to report that "we have contacted the U.S. Embassy about this issue and are awaiting a reply, of which the Congress of the Republic will be notified in due time."

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Only unofficial versions have emerged so far, implying that the diplomatic mission is about to restore only those visas granted to Deputy Jorge Roberto Maradiaga and the National Congress president's brother, Oscar Flores Facusse.

Nicaragua

Report Views Benefits of Trade With Cuba

PA2703154995 Managua EL NUEVO DIARIO in Spanish 24 Mar 95 p 7

[Report By Ernesto Aburto M.]

[FBIS Translated Text] The visit by a large delegation of Nicaraguan businessmen to explore trade possibilities with Cuba emerged as a real possibility during the visit by economist Carlos Martinez Salsamendi, president of the Cuban Chamber of Commerce, which just ended.

Martinez said he was greeted favorably by ranking Nicaraguan businessmen of the Chambers of Commerce, Industry, Tourism, Construction, the Cosep [Higher Council of Private Enterprise], the Unag [National Union of Farmers and Cattlemen], and the Economy and Tourism Ministries, among others.

"My visit was fruitful, because we fulfilled the objective of setting up contacts, which will serve as a a tool for businessmen of both countries," the Cuban businessman, whose organization had a membership of 90 in 1990 and today has 270 members, stated.

In the opinion of this business leader, his country is in the best condition to trade competitively with Nicaragua for mutual benefit because of the geographic proximity that makes transportation cheaper and the mutual knowledge that has developed for a decade in each nation regarding one another's economic situation.

The flow of Nicaraguan professionals who visited Cuba and of Cubans who work in the various sectors of Nicaragua's economy provides experience which, in the opinion of Martinez Salsamendi, expands in-depth knowledge in planning successful commercial ventures.

The Cuban businessmen, who has been active abroad, said his country's first priority is to promote trade with the Latin American market, in which the Central American and the Caribbean countries that are closer to Cuba, occupy an important place.

For example, Cuba can offer Nicaragua "key" competitive prices for animal and human biotechnology products, which have been successfully exported to such countries as Argentina, Colombia, Brazil, and Mexico.

Also, it can offer "software" technology, through programs for which Cuba is known worldwide, especially dealing with the production and commercial aspects of the sugar industry, tourism, and hotels.

"We offer cement, complete prefabricated housing units, and iron bars which are sold in Nicaragua and other countries of Central America, for the construction industry," Martinez Salsamendi stated.

Cuba also offers different varieties of ceramics, he added, but also machinery for agriculture and construction, as well as technical assistance in health and sports.

"During the current Pan American Games in Argentina," he said, "teams from various countries arrived with Cuban trainers, whose services are obtained by contract.

The Cuban Chamber of Commerce, its president says, is a nongovernmental institution maintained through the payment of fees by its members and the services that it offers.

Like any other similar organization in America, it sees to the needs amd demands of its business associates, Mr. Martinez, who formerly held the post of counselor at the Cuban Embassy in Japan, stated.

He has also been director of the National Plastics Company, head of development at the Light Industry Ministry, and an adviser on international relations to the vice president of the Councils of State and Ministers.

In statements, before continuing on his tour of Central America, the Cuban businessman revealed that foreign investment is the key element of his country's new economic policy, following the disappearance of the socialist bloc, with which Cuba conducted 85 percent of its foreign trade.

The fall of this bloc in 1991 left too many industrial plants idle. They are now beginning to recover through foreign investment. In 1990 there were 40 foreign trade businesses in Cuba. Today there are 225, a number which is increasing.

In 1988 there were 107 representatives of foreign companies, whereas now there are 632. Among them are some companies from some Central American countries, such as Honduras and El Salvador. Meanwhile, the number of foreign-run travel agencies and tour companies is 300, Martinez Salsamendi stated.

All of this permitted halting in 1994 the economic decline evidenced since 1991 and has helped in achieving growth of 0.4 percent in the industrial sector, 8.5 percent in the sugar industry, and 14.4 percent in the tourism industry.

"The conditions are there for a sustainable and growing recovery, to pre-1990 levels," Martinez Salsamendi stated.

Regarding the resurgence of the farmers' markets, he recognized that these have helped enormously in overcoming the food shortage in the country because peasants are participating enthusiastically.

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Urban residents can buy everything they need to eat directly from these markets, although at higher prices than those which exist in the state channels of distribution, where there is shortage, he said.

Based on this experience, the state has given out 2 million hectares of state farms to workers, so they can work them as cooperatives, own their means of production, and also sell their products at farmers' markets.

Markets of this type are also emerging in the industrial sector, Martinez said. He denied, however, that this marks the beginning of a vast privatization program similar to that occurring in other countries of America.

He explained: "Ours is a process of adapting our economy to the new conditions of foreign and domestic trade, while maintaining the basic structures of the system that has given Cuba social benefits over the past 30 years.

"This is done by maintaining our achievements in health, education, social security, and the equitable distribution of wealth. It involves an orderly and calm process, which does not correspond to reality in other countries.

"We can participate in a market economy at the international level yet maintain our system, considering those things that have been favorable to our socioeconomic development," the president of the Cuban Chamber of Commerce concluded.

Police Command Officially Announces Changes

PA2703020795 Managua EL NUEVO DIARIO in Spanish 25 Mar 95 p 2

[FBIS Translated Excerpt] During a special ceremony, the National Police [PN] confirmed what was already a "well-known secret." Yesterday morning, the General Directorate officially announced several changes within the top ranks of the institution. These changes are part of the continuing professionalization of the force.

Before announcing the PN reorganization, police authorities regretted the retirement of Commander Alvaro Guzman. The reorganization process is designed to create a more unified, cohesive, and better distributed command.

Brigadier Commander Fernando Augusto Caldera said that, from now on, police work will be divided into three major areas: prevention, operations and investigations, and administration. A deputy director is being assigned to each area. It was announced that Commander Eduardo Cuadra Ferrey will head prevention; Commander Luis Chavez will head operations and investigations; and Regiment Commander Edwin Cordero will head the administrative section.

In addition, Subcommander Horacio Rocha Lopez was assigned to the prevention section; Subcommander Carlos Palazio Linarte was assigned to the Narcotics Division; and Subcommander Arnoldo Pastran Davila was assigned to the police archives and control division.

The General Directorate of the PN also announced that Regiment Commander Lionel Espinoza had been assigned to the Directorate of Intelligence Affairs (DAI). [passage omitted]

New Youth Movement Formed

95CA0159A Managua EL SEMANARIO in Spanish 10-16 Feb 95 p 20

[Article by Edgard Solorzano]

[FBIS Translated Text] [Passage omitted] I attended the founding session of the Union of Nicaraguan Youth, recently held in Leon, where its bylaws were adopted and its officers were elected.

About 200 delegates from different parts of Nicaragua met on the campus of the University of Leon, for Leon truly is a city of youth, as Mayor Luis Felipe Perez said in his opening remarks.

The origins of this youth movement are based on the need for renewal in their own ranks. The majority of its members belonged to Sandinist Youth and wanted to renew that structure. However, orthodoxy prevailed.

Jairo Alvarez, the recently elected president of the Union of Nicaraguan Youth, recalls that the movement was in essence born on 16 August 1994.

"We are starting by working in the barrios, local communities, and villages, bringing a specific message: the need to organize with a new vision for the nation's democratic process, in which we represent the majority," said Alvarez.

In its bylaws, the young people promoting this movement of an inclusive character emphasized that they would maintain their independence from any political, economic, or religious group.

"We are not going to submit to any political line, although we do maintain relations with the Renewal Movement, but that is a relationship among equals," explained Alvarez.

In addition, the bylaws state that the movement is a civil nonprofit association, and it will work with all youth sectors, whether or not they belong to any political, union, or religious organization.

In the founding assembly the former president of Nicaragua, Dr. Sergio Ramirez—one of the chief leaders of the Renewal Movement—addressed the young people, urging them to adopt a national program, to create clear rules of political and economic behavior; he called for a nation ruled by law and not by shabby special interests, a nation in which an ethics code will enable the nation to follow a better course.

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That proposal was greeted by the delegates as the most viable project for forming an alliance, "provided that the ends proposed are achieved in practice, that words and deeds are directed toward the same goals," noted Alvarez. They also left the doors open to hear any other proposal that will benefit the nation.

In a few days this organization will issue a proclamation announcing its views on the constitutional reforms. Right now, they reported, "we are moving toward approval," although they will also indicate very clearly those points with which they are not in full agreement.

The creation of this youth organization, as it was explained, seems to be in harmony with the new times, with the winds of change that are little by little making themselves felt in Nicaragua. Let us hope that these dreams and ideals are not once again aborted.

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Argentina

Menem Returns to Campaign Trail With 'Optimism'

PY2703221395 Buenos Aires BUENOS AIRES HERALD in English 26 Mar 95 p 4

[FBIS Transcribed Text] (NA-DYN) Argentina's bereaved President Carlos Menem returned to the presidential campaign trail yesterday for the first time since his son died more than a week ago.

Leading polls for the May 14 elections, a visibly grieving Menem headed a motorcade of 200 Peronist Party vehicles through the Merlo and Moreno suburbs of Buenos Aires, accompanied by provincial Governor Eduardo Duhalde, who also is running for reelection, and several other candidates.

Menem's son, Carlos Jr, died shortly after his helicopter hit high tension electricity cables near the city of San Nicolas on March 16.

"In every one of the faces, I see Carlitos' face," the President said yesterday.

Although somber-faced, Menem brimmed with optimism, saying the Justicialists would carry the election, and the Radical Party would take second ahead of the National Solidarity Front (Frepaso).

"There is no chance of a second round election," the president said, reiterating his belief that he will garner enough votes and a strong enough lead over other candidates to avoid a runoff.

The flag-festooned "motorcade of the faithful"—so named by the campaign—led by Menem's brightly painted campaign bus, the "Menemobile," made no stops. It rolled slowly along streets lined with thousands of well-wishers and party faithful who waved flags and cheered.

In Cordoba on a campaign swing, Horacio Massaccesi unleashed a barrage of criticism of Menem's economic programme and news that Radical candidate for governor in Mendoza is considering also running for Congress on the Frepaso ticket.

Although polls put the Radicals in third in the presidential race, Massaccesi said his own polling indicates that in "certain districts the Radicals have clearly recovered."

Announces Open Debates With Opposition

PY2803004695 Buenos Aires Argentina Televisora Color Network in Spanish 2030 GMT 27 Mar 95

[Announcement to the nation by President Carlos Menem from Government House in Buenos Aires—live]

[FBIS Translated Text] This morning Carlos Ruckauf called a news conference to inform reporters that the president was going to make an announcement. Disclosing the subject of that announcement was reserved for the president.

During the past two or three hours, I have heard many radio stations speculating about a thousand and one possibilities, but total secrecy was maintained. I heard talk about a change in the presidential ticket, which I completely rule out, or about a change in the date of the elections. As we used to say when we were kids: Cold, very cold. The electoral schedule will not be changed. The Justicialist Party does not admit changes in its ticket.

But there is a possibility for open debate in our society. This debate is not only important for us, because the country has projected itself in today's world. There are debates and controversies on several issues. You have talked about some of them in the past few days.

We are always hearing different proposals. The opposition has its reasons, the administration has its own reasons, and the international media has different opinions. I think the time has come for our people and the international community to fully learn the facts. Citizens will then be able to cast their votes knowing well what they are doing. This exchange can be made through a clarifying debate among all political forces in the nation.

This means that, beginning next week, all government officials, except the president of the nation, will be available to broadly debate all issues. This is part of democracy and freedom. The debate will include all topics of national interest with all opposition political parties. All areas of public administration, through their representatives, will be ready to debate, within the broadest possible framework, all topics of national and international interest.

Of course, those responsible for political parties' campaigns will have to immediately get in touch with their counterparts in the administration to establish a schedule for those debates. They may include education, public health, justice, social security, foreign relations, defense, or any other topic. What is the Justicialist Party proposing? What are the ruling and opposition parties proposing for the future? In this way there will be no doubts in citizens' minds regarding what to expect from their future leaders.

This was the announcement I wanted to make. I think it is very important because we are living in a representative, republican, and federal system. The republican character of our system is directly linked to the publication of and knowledge concerning government acts and proposals. This debate, of course, will be enriched by our proposals and opposition proposals. I think we are living in a very important time for the present and the future of our nation and our fatherland. All politicians and those who are involved in political activities without being specifically politicians will be able to make their contributions.

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If the Justicialist Party wins—and I am completely convinced that it will—we will take all opposition proposals very much into account, as long as they improve the model currently in effect.

If the result is the opposite, we will also be present trying to shore up the efforts of those who end up winning on 14 May. This is the way we understand democracy. This is the way we must use our freedoms. Freedoms are not solely for individuals. Freedoms must also be shared, as much as possible, with the rest of the community. One of the ways to make sure that freedom is alive is by using public offices or networks to inform the population.

Nations are becoming more globally focused and it is, of course, essential to send a message about what will happen in Argentina after 14 May so that the credibility our country enjoys today can also be enjoyed in the future.

We can talk about many things. I will continue with my agenda; I have a number of audiences, but I will leave Carlos Ruckauf, Julio Cesar Araoz, and Alberto Kohan with you to discuss the details of this proposal, which I dearly hope the rest of the political community will accept. Thank you.

Radical Deputy Attacks Government Over Arms Diversion

PY2703165395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2039 GMT 25 Mar 95

[FBIS Translated Text] Buenos Aires, 25 Mar (NA)—On 25 March, President Carlos Menem emphatically denied having requested the resignations of Defense Minister Oscar Camilion and Foreign Minister Guido Di Tella due to the diversion to Ecuador of weapons that had been bound for Venezuela.

Menem stated that "under no circumstances" had he asked Camilion or Di Tella to step down, and asserted that the defense minister "is firmly in his post."

The head of state also explained that "Argentina did not sell weapons to Ecuador," but to "an American company," Hayton Trade, and that his administration had requested information of the United States in order to discover "how that firm operates."

Menem made these remarks during a cavalcade through the Buenos Aires Province borough of Moreno, where the Justicialist Party is on the campaign.

Menem also responded to Radical congressmen who requested Camilion's resignation by recalling that during Raul Alfonsin's previous administration, Argentina "sold weapons to Iraq when it was at war with Iran, and the same weapons were then used to attack Kuwait."

Horcio Jaunarena, deputy chairman of the Defense Committee of the Chamber of Deputies, accused the government of "negligence" for not having known the final destination of the shipment of weapons reportedly consigned to Venezuela by plane and ship. He let it slip that the weapons that were transported by sea may "be in Bosnia."

These comments by the former defense minister during the Raul Alfonsin administration [1984-90] were made about the weapons that Argentina allegedly sold to Venezuela, but which ended up in Ecuador, and about a new consignment of weapons that were also bound for Venezuela, though the cargo vessel that was transporting them put in at the Spanish city of Barcelona.

Jaunarena told a local radio station that "this is obviously an abnormal situation. The fact that the Argentine state does not know, after one and a half months, where the consignment of weapons it sent by air and sea ended up lays bare a grievous negligence."

During a briefing behind closed doors on 23 March, Defense Minister Oscar Camilion informed the Defense Committees of both houses of Congress about the consignment by sea, about which nobody knew, at least publicly.

However, the existence of the cargo vessel, which according to Jaunarena "is sailing around the world" with the weapons, had not been known about until today.

According to Jaunarena, the vessel left Buenos Aires bound for Venezuela, but had mysteriously put into the port of Barcelona before sailing for the Venezuelan port of La Guaria.

Referring to the guns that had been placed in 75 containers, Camilion acknowledged before deputies and senators that "we do not know for a fact where those weapons are."

Jaunarena is of the opinion that the diversion of the vessel leads one to entertain "the idea that these guns (that had been loaded up on that vessel) may now be in Bosnia."

Concerning the other shipment, which had Venezuela as its final destination but was diverted to Ecuador during its armed conflict with Peru, the Radical congressman enumerated three "questionable" points.

"The first problem is that Venezuela is not the end of the world; Argentina has an embassy and several consulates there. It, therefore, seems quite odd that nobody should have verified the information about the arrival of these weapons," he explained.

He went on to say that "second, it was an intermediary (the American company Hayton Trade) that was responsible for carrying out the irregularity, while Camilion—and not the General Directorate of Military Industries [DGFM], which was the case—should have hired the services of that company."

"Third, that nobody knows the whereabouts of the weapons the government sold. This is a real blunder that

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creates a terrible impression on Peru, Latin America, and the international community," he added.

Jaunarena recalled that a resolution establishing that "any sale of weapons had to be authorized by the Defense Ministry and recorded in a register at that ministry" was signed in June 1992.

He wondered "how it is possible that such a requirement was not fulfilled in a $30 million business deal, or that the DGFM should have made the decision."

Jaunarena stated that "the Foreign and Defense Ministries" are implicated in this, and therefore it would be "healthy" if Minister Camilion resigned, as "until those responsible for the diversion are identified, the whole of Argentina has to bear the responsibility."

He recalled that following the briefing of the defense minister before Congress, "the Radical bloc requested his resignation."

Joint Chief of Staff Comments

PY2803032795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1456 GMT 27 Mar 95

[FBIS Translated Text] Buenos Aires, 27 Mar (NA)—Lieutenant General Mario Candido Diaz, the joint chief of staff, today emphasized that the Armed Forces "are not involved in arms sales." He added that "the Defense Ministry, through the Military Industries, is responsible for" war materiel operations.

Following the opening ceremony of a Joint National and Military Planning course at the Defense Ministry this morning, Diaz confirmed that the Armed Forces "are not responsible" for the alleged arms sales to Ecuador and Croatia.

UCR [Radical Civic Union] Deputy Antonio Berhongaray, a Chamber of Deputies Defense Committee member, emphasized: "It is unacceptable for Argentina to become involved in arms sales to both Croatia, violating a UN resolution, and Ecuador, in the midst of a conflict between itself and Peru."

Berhongaray noted that the UCR bloc submitted five petitions to the Executive Branch, requesting information on the [sales] operations to Croatia. In the petitions, the UCR bloc "accurately pointed out the doubts that were raised, based on accurate and specific information that all this was happening."

Berhongaray pointed out: "In late February we discovered that 200 trucks, loaded with 155-mm guns, left the Rio Tercero factory for the port of Campana." He noted that "four arms shipments" were made "to Croatia."

In this regard, Berhongaray added that the fifth operation of this kind was ultimately diverted to Ecuador "because a country at war pays better prices," holding the Argentine Army directly responsible for these shipments.

Berhongaray said he is unaware "of the existence of a mafia behind these operations, as reported by presidential adviser (Julian) Licastro," but noted that "it is necessary not to overlook the fact that the company that participated in the operations (Hayton Trade) is a government representative and not an intermediary between the two countries."

According to a report published today by a Buenos Aires morning newspaper, Military Industries trustee Luis Sarlenga reportedly sold the weapons to two Uruguayan companies that subsequently shipped them to those two areas of conflict.

The weapons that allegedly ended up in Ecuador were supposedly consigned to Venezuela and the weapons that were diverted to Croatia were allegedly consigned to Panama, said to be interested in purchasing war materiel.

The companies involved in these operations, Hayton Trade and Debrol, Inc., are legally established at 1334 33 Orientales Street in the Uruguayan capital of Montevideo, and were purchased by their owners last year.

Bolivia

Aranibar on 'Complex' Issue in Extradition Treaty Talks

PY2803015795 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 27 Mar 95

[FBIS Translated Text] The United States insists on the possibility of kidnapping Bolivian citizens charged with drug trafficking or terrorist activities so that they can be tried in the United States. This can be interpreted from what Bolivian Foreign Minister Antonio Aranibar said today.

Minister Aranibar said that the subject of kidnapping, capture, and immediate extradition by U.S. agents is the most complex issue of the negotiations currently under way with the purpose of signing a new extradition treaty with the most powerful country on the planet.

The extradition treaty that has been in force since 1900 does not contemplate cases of terrorism or drug trafficking, two crimes that will be included in the new treaty.

Union Leader Criticizes U.S. Stand on Coca-Cocaine

PY2703174895 La Paz PRESENCIA in Spanish 17 Mar 95 p 2

[Commentary by Juan Lechin Oquendo, union leader and former secretary general of the Bolivian Labor Federation]

[FBIS Translated Text] The current situation is facing us with the difficult problem that results from drug trafficking and from pressure by the U.S. Administration that undermines our national sovereignty. It would

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therefore be appropriate to analyze, though briefly, the political and moral effects of this emergency situation.

We must start from an essential question: Does the U.S. Administration have sufficient moral authority to punish citizens of other nations, accusing them of being launderers of money stemming from dirty drug deals? Of course not. The greatest and main launderers of dollars are U.S. banks, and obviously they enjoy the protection of their government, in addition to the authorization that legalizes the money laundering through their agencies in the Cayman and other Caribbean Islands, where drug traffickers deposit their money with no restraint whatsoever, thus receiving large sums of money that strengthen the U.S. economy. Let us agree, then, that if there is a need to punish it must be done, but beginning at home.

In February 1995, President Gonzalo Sanchez de Lozada said that "Bolivia must solve the drug trafficking threat," and added that "it is a national responsibility and not that of others." We understood, then, that he was referring to the need for a national coca policy, defending national interests and taking care of our dignity and sovereignty. Just around the corner, however, we found ourselves in a position of submission that makes us feel ashamed and humiliated. It is for this reason that the generalized commentary is that it is becoming more difficult every day to believe in the president, because his actions contradict his words.

We must not accept the forceful eradication of coca crops disguised as the "Zero Option." The defense of coca must undoubtedly be based on the industrialization of coca, because our arguments are also based on the fact that coca is rich in minerals, vitamins, proteins, and medicinal substances. Industrialization is a peaceful solution, and was established at a meeting of political parties held in 1992, when a document was issued, a document that has the signature of the current president of the Republic, who was representing the MNR [Nationalist Revolutionary Movement].

The U.S. demands leave us with the imminent threat of forceful eradication with the use of violence, that is, with bullets.

After having spent over $7 billion of the $13 billion budgeted for the antidrug fight, the result is negative and discouraging for the U.S. Administration, as was made known by General Barry McCaffrey, chief of the antidrug organization, in his report to the Senate. That report states that "the well-organized and costly antidrug operation and the efforts made so far have not reached their objectives." It adds that "after the Cold War antidrug actions have been intensified, but the result is discouraging." It is for this reason that we say that the U.S. failure is greater in its own territory than in the coca producing countries. But as such a failure on the part of the U.S. Government would bring with it the blame of U.S. citizens, scapegoats are sought for, and found in our countries, which because of their lack of funds and adequate infrastructure are far from successfully waging a true and effective fight against drugs.

Finally, let us conclude with another question: Why is coca not legalized? The answer is obvious. Because those who would lose most are the gringos. Only the crumbs remain in the producing countries, while billions of dollars from these deals and from the parallel dealing in weapons trafficking circulate in the wealthy countries.

Government Minister Denies Existence of Social Unrest

PY2803020895 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 27 Mar 95

[FBIS Translated Text] Reports from Cochabamba state that according to Government Minister Carlos Sanchez Berzain, there is no social unrest in Bolivia—only teachers marching toward La Paz and a declared general, indefinite strike not observed by anybody.

Sanchez Berzain said that the nine departmental governorships have reported that public and private activities have been developing normally and that the social unrest is only expressed verbally by various political sectors of the opposition and social organizations such as the Bolivian Labor Federation.

The minister mentioned, as an example, the conflict with the national teachers' union, and voiced his hope that normalcy will return through a conscious, voluntary, and patriotic initiative on the part of sectors that make demands and petitions to the government.

He dismissed imposition of a state of exception for the time being, noting that the government is watching with calmness and discretion for the development of events to advance through dialogue and with respect for the law.

The government hopes the teachers will adopt a nationwide dialogue to discuss basic aspects of the educational reform because the government represents democracy and the laws and the executive branch must be respected.

Sanchez Berzain noted that the teachers' union does not seek didactic-pedagogical improvements but rather a nationwide grading or rating system without the need for tests to be promoted, compulsory organization into labor unions, automatic deduction of union dues, and decision-making power with regard to appointing authorities.

He also said that the defense of public and free-of-charge education upheld by teachers is false because the educational reform guarantees the free and obligatory character of the educational system, to the extent that fathers have not had to pay entrance fees.

Sanchez Berzain expressed the government's willingness to hold a dialogue and reach an agreement on specific issues related to decrees regulating the educational reform as long as the radicalized union leadership changes its attitude.

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Banks Superintendent Warns of 'Critical' Financial Period

PY2703135695 La Paz PRESENCIA in Spanish 17 Mar 95 p 9

[FBIS Translated Text] President Gonzalo Sanchez de Lozada and Jacques Trigo, the new Banks and Financial Institutions superintendent, yesterday urged politicians not to undermine the financial stability that was achieved 10 years ago.

The president said: "I reiterate to all Bolivians, particularly political parties: Stability is only appreciated when it has been lost. Politicians should not undermine our financial stability. Mexicans know this, but it will not occur in our country."

During his swearing-in ceremony, Jacques Trigo said he accepted a post that is beyond the tenure of political administrations or politics.

He said: "This post must not be politicized. It would be very dangerous to play with finances. The president has already mentioned the Mexican case."

The president asked Trigo to carry out his duties, oblivious of criticism, and expressed his administration's support for the law to safeguard the stability of savings deposit holders and the financial system.

Sanchez de Lozada said the opposition has been known "to play" with the savings system, and insisted that stability must be safeguarded.

Trigo announced that fiscal operations will not be based on punishments but on cooperation with the financial system.

He said: "We will work with Central Bank officials to adopt preventive measures instead of remedial measures. This is the superintendency's main task: To prevent and amend mistakes."

Trigo said he believes financial measures must be accompanied by serious economic policies, fiscal stability and low inflation rate.

He said that since 1985 went through a series of important reforms implemented through a "main" decree that was later followed by Decree No. 21660. He said this resulted in the reorganization of the financial system and the separation of the Bank Superintendency from the Central Bank.

Trigo said: "This was necessary to safeguard stability. However, stability and the financial system alone do not resolve problems."

He said Bolivia should be proud because people abroad appreciate the economic model that is currently enforced. He added that the "second round" of structural measures are important to support the growth of the Bolivian economy.

Trigo said current times are critical for Bolivia and Latin America. He said this is a time when international economies are trying to become integrated and the South and the North are starting to talk. As an example he mentioned NAFTA.

He said: "Financial transactions have reached a creativity level and a rhythm that deserve the immediate attention of bank supervisors, a time when new financial tools and transactions appear, and when a computer can transfer trillions of dollars from one continent to the other—and affect many economies."

Brazil

U.S. Arms Control Official's Visit 'Gesture of Good Will'

PY2803022695 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Mar 95 p A3

[Editorial from the "Notes and Information" page: "Brazil and the NPT"]

[FBIS Translated Text] A week ago, the director of the U.S. Arms Control and Disarmament Agency visited Brasilia and brought to the fore a bilateral issue that in recent years had become a major irritant in contacts between the U.S. State Department and Itamaraty. This was the first of a number of consultations the U.S. Government plans to maintain with its Brazilian counterpart regarding disarmament, arms control, and nonproliferation. The fact that the visit occurred exactly 30 days before the opening of a conference designed to revise and expand the Nuclear Nonproliferation Treaty (NPT) made the consultation all the more significant. For not being a signatory of the NPT, Brazil has been left out of the decisionmaking center with regard to the future of the most important treaty concerning nuclear proliferation. Despite all that, the director of the U.S. Arms Control and Disarmament Agency set aside part of his time to visit Brasilia. This gesture of good will was a result of the mature steps taken by Brazil to move closer to a regime of control and nonproliferation of weapons of mass destruction. In fact, in recent years Brazil submitted its nuclear program to triple controls: by Argentina, by the Brazilian-Argentine Agency for Accounting and Control of Nuclear Materials [Abacc], and by the International Atomic Energy Agency [IAEA]. Brazil also signed the Convention on Chemical Weapons, it is following the guidelines of the Missile Technology Control Regime, and it adopted strict procedures for exporting military weaponry and equipment.

In the face of all that, pressure for Brazil to join the NPT has stopped being public and strident. The controls to which Brazil agreed through its special relations with Argentina are in fact stricter than those mandated under the NPT. These are regional controls. In fact, the IAEA made an exception at the time in monitoring two countries that were not NPT signatories. For the Western community, it would be important for the NPT to be globally accepted.

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Brazil has not yet signed the NPT because of a matter of principles. The treaty clearly discriminates between countries that possessed nuclear weapons and devices by 1967 and the remaining countries by creating differences that run contrary to the principle of legal equality among all states. Yet, the subject does not entail just a legal aspect. Following acceptance of the strict controls of the quadripartite agreement (Brazil, Argentina, Abaac, IAEA), there are no longer practical reasons for Brazil not to sign the NPT. The NPT has 171 signatories; Brazil is among 20 countries that have refused to sign it. Brazil is thus among countries like Andorra and Djibouti, as well as Israel, India, and Pakistan. The latter three countries have strategic reasons for remaining outside the global nonproliferation regime. It remains to be seen whether or not, by sharing this position with these countries "because of a matter or question of principles," Brazil is undermining the credibility of its well-known peaceful intentions.

Senator: Patent Rights Bill To Be Approved 'In a Year'

PY2803025695 Sao Paulo AGENCIA ESTADO in Portuguese 0052 GMT 28 Mar 95

[Report by Isabel Dias de Aguiar]

[FBIS Translated Text] Sao Paulo, 27 Mar (AE)—Senator Ney Suassuna (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba] said today that the patent rights bill will be approved by Congress in a year. He considers this record time given that it is a controversial subject. He said that the studies with regard to voting on it are being hastened so that President Fernando Henrique Cardoso can present his initial results to the U.S. Government during his next visit to that country in April. Suassuna, who participated in a meeting with businessmen from the Sao Paulo State Federation of Industries (FIESP), said that this bill has been discussed in Congress for the past three years, a period of time he considers short, since 10 years of discussion were required in other countries.

Suassuna, who is the rapporteur of the patent rights bill in the Senate, said that the draft bill approved by the Chamber of Deputies was modified to adapt it to the norms of the GATT, but it must still be modified to attend to Brazilian interests. "We are seeking medium-term solutions, given that the concern is to eliminate points of friction with the other countries with which we maintain trade relations, to prevent retaliation and also to preserve national industry."

The senator said that the most controversial subject of the draft bill involves patents on live organisms, because of its ethical nature. He believes that Congress will not accept patents on live beings, but it tends to accept a proposal that envisions the registration of patents for processes that modify living organisms. The greatest resistance comes from the church, said Suassuna. The German supreme court also vetoed patents on live beings, he said. The same thing happened with the European Union, he added.

Another controversial subject is the so-called pipeline, which guarantees industrial property rights of products and processes even if they are not manufactured in their countries of origin. This is a subject of special interest for the pharmaceutical industry, since its products demand long trial periods. The draft bill will be sent to the Senate Constitution and Justice Committee for approval. The draft bill will then be returned to the lower house for promulgation.

Cardoso Holds Cabinet Meeting, Criticizes Congress

PY2703234995 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Mar 95 p A4

[Article by Ricardo Amaral]

[FBIS Translated Text] Brasilia—President Fernando Henrique Cardoso harshly criticized Congress, as well as trade union and business leaders, during a cabinet meeting on 24 March. He clearly indicated that he may even take to television to defend the Real Plan and the constitutional reform and to denounce what he called "the real interest of some congressional groups." President Cardoso intends to seek the support of the people and Congress. He wants to recreate the atmosphere of loyalty for the real which he considers a product of his administration.

Cardoso said the government must do the same as those who oppose the constitutional reform. The government must organize those who are in favor the Real Plan and economic stability. For this, he is willing to speak more and appear more in public. He criticized the indifference shown by the businessmen who supported him in last October's elections. "During election time they were all organized and they defended the Real Plan, and now it seems that what is going on has nothing to do with them," Cardoso said.

Through someone who attended the cabinet meeting, O ESTADO learned that the government believes that the reform of the social security system is being attacked in Congress because it includes breaking the bank secrecy of those who do not pay their social contributions. During the meeting, the behavior of Brazilian businessmen was compared with that of their Argentine counterparts during the crisis. In Argentina the businessmen purchased $1.2-billion worth of patriotic bonds. In Brazil the businessmen speculate with accusations that affect the Central Bank, according to high-ranking government officials.

Cardoso believes that the accusations against Central Bank President Persio Arida are part of a plan to destabilize the real through Congress and the market. "Congress and the market are Brazil, but mainly Brazil is more than 160 million people to whom the government

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must render an account," the president told his ministers. He demanded that his cabinet pay greater attention to the Brazilian people.

He believes that the administration and the Real Plan are doing well, but the first 100 days of the administration, which should have been a honeymoon with the people, were troubled as a result of external and internal factors: The Mexican crisis and the attempt to "destabilize" the real and Arida in a battle waged through the media. "However, it is possible to change this bad trend because society expects calmness; that is what they voted for in the elections," the president told his ministers.

Views Land Ownership, Agrarian Reform

PY2703193995 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Mar 95 p A2

[Article entitled "Land Ownership and Citizenship" by President Fernando Henrique Cardoso]

[FBIS Translated Text] For social interests, I have just signed decrees expropriating 1 million hectares of land. This is equivalent to all Sao Paulo orange groves put together. It is the largest agrarian reform ever implemented in Brazil. Nearly 17,000 families, some 80,000 people, will receive land to start a new life with the certainty of a better future.

This will help the families of landless farmers and thus help Brazil. The 60,000 jobs to be created in the new rural settlements will make idle areas—which have been used for speculation—produce. Unproductive land will be transformed into productive land that will yield food to alleviate the hunger of many Brazilians.

During my electoral campaign I promised to settle 280,000 families over the next four years. This goal will be gradually achieved. It begins by settling 40,000 families in 1995. This number will increase. We contemplate settling 100,000 families in 1998. These are daring numbers because the historic average, since 1985, is about 20,000 families per year.

During the military governments, large projects for settlements on public land established the characteristics of land actions. During the democratic administrations, agrarian reform has been intensified and has caused private idle land to change hands. Until 1994, when the Itamar Franco Administration ended, the Federal Government had expropriated 8.1 million hectares and implemented 850 settlement projects involving 143,500 families. State governments also made 13 million hectares of land productive; it is tilled by 265,000 new farmers. This is an unquestionable achievement of Brazilian democracy.

We must go further. A great deal of unfairness still punishes the rural population, there is still a great deal of disparity in the agricultural world. The agrarian reform, which expropriates idle land and gives it to the poor, is imperative in the fight against the extreme inequalities that still reign in Brazilian agricultural. We will continue to check on rural land that is inadequately exploited with the objective of expropriating it for social interests. It is not enough, however, to expropriate land. Beside the support that must be given to the new settlements, other policies will have to be implemented to ensure a democratic access to the land and to ensure better job conditions and profit in farming tasks. Social misery prevailing in the interior of the country must be attacked on several fronts. Agrarian reform alone is not enough. We need more.

First, it is indispensable to draft and implement a firm program to support family-level farming. A large number of rural producers—an estimated 2.5 million people—already own land but cannot produce anything or survive with dignity. Sometimes this is because their land is too small or bad, or because they do not have access to modern technologies, or because the market leaves them aside.

It is fundamental to use a public effort, particularly the scarce resources, to supporting these producers, leaving it to the market to finance the capitalist producers. I have instructed the Agriculture and Land Reform Ministry to present within 90 days a program for the improvement of family-level farming in Brazil.

Second, it is fundamental to improve education in the rural area. I have often said that without educating its people, Brazil has no future. This is even more important in the countryside where the illiteracy level is higher. In addition to improving the elementary school level of education, we will develop an educational program aimed at young farmers.

We will revitalize the farming-cattle raising technical schools with the support of universities and other government organizations such as the Embrapa [Brazilian Agriculture and Livestock Research Enterprise] and the Incra [National Land Reform and Settlement Institute]. We will thus improve the knowledge of the children of farmers and train them to work with new technologies and to better manage their rural activities. This training will also serve as a passport to be included in the new agrarian reform settlements and become a credential for new farmers.

Third, to fight rural misery, we will develop specific programs for the northeast region. Among these, I emphasize the recovery of cotton-growing. Cotton-growing creates a large number of jobs and can be done in all regions, including the semi-arid regions and the hinterland. Cotton growers, particularly the smaller ones, yearn for the revitalization of this activity, following the crisis resulting from low cotton prices and the boll weevil.

The genetic improvement of the bovine and caprine herds is another program of great impact among small rural producers. The modernization of cashew planting

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and processing offers excellent opportunities for this traditional crop in the Northeast Region.

This is the basis of my administration's land policy: To speed up the agrarian reform and to develop actions to strengthen family-level farming and fight rural misery. This will prevent the exodus toward the cities by creating jobs in the countryside; without demagoguery, without violence, but with the firm determination to democratize the ownership of land in the country. This is what the citizens demand. This is the path to the future.

Proposal To Divide Social Security Reform Viewed

PY2703143395 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Mar 95 p A5

[Article by Marcos Magalhaes]

[FBIS Translated Text] Brasilia—The government was defeated yesterday at the Constitution and Justice Committee (CCJ) of the Chamber of Deputies, which approved—by 24 votes to 22—dividing the constitutional amendment that seeks to reform the Social Security area. One PFL [Liberal Front Party] deputy and three PMDB [Brazilian Democratic Movement Party] deputies voted to divide the proposal, at the suggestion of Deputy Nilson Gibson (PMN-PE) [National Mobilization Party-Pernambuco].

CCJ President Roberto Magalhaes (PFL-PE) will probably present today a proposal establishing into how many parts the amendment will be divided. The amendments that result from the main proposal will have their own rapporteurs, and the start of the debate and approval process at the Chamber of Deputies will depend on the admissibility of each of them.

The government wants the amendment divided into only two parts: one dealing with suspension of bank secrecy to investigate possible tax evaders and the other covering the rest of the proposal. The opposition bloc wants the proposal split into more parts. Gibson suggests: "Matters must be dealt with separately."

The deputies who oppose the amendment said they want the text to be split based on Article 57 of the Chamber of Deputies internal rules. This article states that committees can split draft bills that contain "different topics." After the vote, the government leader tried to show tranquillity.

"Congress is not a notary's office," admitted Deputy Luiz Carlos Santos (PMDB-SP) [PMDB-Sao Paulo]. He recalled that during debates and procedures to approve the amendment that created the Social Emergency Fund (FSE), 59 amendments were included in the text received from the executive branch. He said the government should now show the same degree of tolerance. He added: "The voting will not affect the rhythm of the reforms."

After passing through the CCJ, a constitutional amendment must be discussed by a special committee and then be approved at a plenary session by three fifths of the attending congressmen, in two votings. The greater the number of new amendments, the greater the number of votings.

Commentary Analyzes Proposal

PY2703143095 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Mar 95 p A2

[Commentary by Roberto Macedo: "The Social Security Reform"]

[FBIS Translated Text] The Social Security reform proposal that President Fernando Henrique Cardoso has sent to Congress will represent an enormous progress for the Brazilian social security system, once it and its supplementary laws are approved within the spirit of the government philosophy. It also represents a great maturation of society in that the social security system will be oriented toward greater rationality, the lack of which has caused continuous financial crises. These financial crises ran parallel with the growing discontent regarding the services rendered and not rendered by the social security system. The current system is so weak and distorted that it does no justice to its name, as it transmits insecurity.

The government decided to remove from the Constitution items such as retirement according to the age of the worker or to length of contributions, as well as the value of the benefits, so that they can be established in supplementary laws. These laws will define the social security systems for public employees and the military, and a general system to be applied to the rest of the cases. As I already said in another article, the withdrawal of these rules from the Constitution is advisable, as they change with time according to changes in the social and economic situation, and therefore cannot be subject to the typical rigidity of constitutional rules. Besides this, removing them from the Constitution will facilitate the revision of new laws by the legislative branch, as supplementary laws will be defended in Congress by a simple majority rather than by three-fifths of the votes, as is needed for constitutional amendments. It is also easier because they will not require two voting sessions in each house, as do constitutional amendments.

The amendment proposal also eliminated the major abusive practice of retirement pensions for those who obtained a mandate through elections, even though current beneficiaries will be maintained. It also reduces other large retirement benefits, such as the accumulation of several retirement pensions obtained through public posts, even though there remain exceptions. Among other important aspects, the amendment proposal opens the possibility for a supplementary social security system; eliminates interpretations of the Constitution that hinder the collection of social contributions from the salary of businessmen and from the earnings of workers who are not employees; further details the

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breaking of information secrecy for the purpose of tax and social security control; eliminates special retirement pensions for teachers and retirement pensions proportional to seniority; does not allow new advantages granted to public employees to be extended to retired ones; and limits public companies' contributions to their pension funds, the benefits of which must be adjusted ignoring acquired rights.

Some aspects of the amendment proposal leave a lot to be desired. For example, despite the fact that it is not tied to the minimum monthly allowance paid to idle people and to people who cannot earn a living by themselves, the proposal maintains the minimum wage as the basic pension, replacing the contribution salary or labor yield. With this, to a lesser extent, the minimum wage policy will continue to be linked to the social security pensions. Besides, having the basic pension equivalent to the minimum wage violates a social security principle that recommends that retirement pensions be smaller than the salary earned when the worker held his job, in order not to encourage workers to retire. The minimum wage is currently very low, but in the future it may be higher, and the rule hinders this, thus allowing the application of this principle.

Another deficiency in the social security amendment proposal is that it does not establish a single social security system, and allows different and privileged treatment for public employees and the military.

In the case of the military, the proposal states that the system "will observe the requisites and criteria established for the general social security system and will define calculation rules for the pensions." The way I interpret it, there cannot be an age limit for retiring, but the calculation rules for the pension can be different.

Another problem is that the proposal is very "strictly worded" and will not allow concessions during the negotiations that will unavoidably now take place in Congress. Normally, congressional negotiations should please the voters. In general, congressmen do not care about this, but in the case of the social security system they will receive demands from their voters. I did not observe in the proposal the so-called "negotiable clauses" that could be removed or replaced during a negotiation process. Thus if the government wants to maintain the three different systems, it should have proposed a single one; if it wants to maintain the minimum wage as a basic limit for the pensions, it should have proposed its total withdrawal, and so forth. With the way the proposal is worded, congressmen will attempt to demonstrate that they can improve the government proposal, with the risk of causing distortions.

It must also be clear that sending the proposal to Congress is only the beginning of a long process. Its approval will be a great battle that will be followed by many others involving the supplementary laws that will provide the details of the reform. It will not be a surprise if the battle extends until 1996, and the millions of pensioners and contributors to the social security system will not lack a subject for debate. Basically, the government social security reform proposal follows the correct direction. The great challenge will be, however, to avoid letting the proposal be detoured from its original direction because of a lack of foresight by congressmen, who are pressured by active corporate groups and by the insecurity of the people over the efficiency and justice of the reform.

Colombia

Army Commander Denies Arms Sold To Ecuador

PA2503035595 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 24 Mar 95

[Report by Alvaro Ayala; from the "24 Hours Newscast"]

[FBIS Translated Text] Army Commander General Harold Bedoya has categorically denied that arms have been sold to Ecuador. The Army commander asserted that this year Colombia has not sold any weapons or ammunition to Ecuador's Armed Forces, as was reported in Peru.

[Begin recording] [Bedoya] Colombia has not sold any weapons to Ecuador.

[Unidentified reporter] Has Colombia sold ammunition or bombs to Ecuador?

[Bedoya] None whatsoever. Colombia has sold absolutely no weapons or ammunition to Ecuador. [end recording]

In addition, the Army commander explained that Tiro Fijo [Manuel Marulanda] is more alive than ever, adding that the Guerrilla Coordinating Board misinformed reporters of the rebel leader's death as one of its strategies.

[Begin Bedoya recording] They misinformed reporters and created confusion. They caused journalists to lie. [end recording]

Concerning the raids in Cali, Gen. Bedoya said the Prosecutor General's Office is analyzing materials that were seized.

[Begin recording] [Bedoya] We seized many things, including buildings, information, and vehicles.

[Reporter] What did the authorities find out about the Valle Cartel's financial network?

[Bedoya] We found some important documents that are currently being studied by competent judicial authorities. [end recording]

ELN Claims Responsibility for Attack on Cararabo Base

PA2703223195 Madrid EFE in Spanish 2127 GMT 26 Mar 95

[FBIS Translated Text] Santa Fe de Bogota, 26 Mar (EFE)—Colombia's Army of National Liberation (ELN)

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said today that the attack on a Venezuelan military base on 26 February "was a response to the constant persecution" of Colombians by Venezuela's National Guard.

In the first statement in which the ELN claimed responsibility for the attack on the Cararabo base, it said that this action was prompted "by the constant violation of Colombia's sovereignty."

In a communique sent to "Caracol" radio's editorial office in Medellin, the ELN also said that the attack was justified because of "the murders of Colombian as well as Venezuelan border residents and the humiliation and annoyances they experience daily."

The ELN also stated in the communique that after the attack on the Cararabo base, "false nationalism was displayed" in an attempt to "divert attention from the serious economic, social, and political problems affecting both nations."

The ELN, which is led by Spanish priest Manuel Perez—alias "Poliarco"—claimed responsibility for both the attack and the soldiers' murder exactly one month after they were perpetrated by the self-styled "Simacota Company," which operates in the border region.

Over the past few weeks, rebel activity has intensified tension between Colombia and Venezuela, which are making diplomatic efforts to prevent further negative consequences.

Villahermosa Prison Inmates Rioting; No Casualties

PA2603201695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 26 Mar 95

[Report by Katia Isaza in Cali from the "Cripton Newscast"]

[FBIS Translated Text] A confusing situation prevails at this hour at Villahermosa Prison in Cali. Various inmates have rioted because their Sunday visits were suspended and, guns in hand, they have threatened the seizure of various prison facilities.

Approximately 1,200 inmates and their relatives have been rioting since 0800 at Villahermosa Prison in Cali, protesting the INPEC [Penitentiary and Prison Institute] decision concerning the restriction of visits and the prohibition of food. The public force's control has been enforced with water and tear gas. No casualties or critical events have been reported so far—only damage inside the prison. Edward Amaya managed to establish contact with a police officer in the prison a short while ago.

[Begin recording] [Amaya] The 1,500 inmates who rioted approximately four hours ago have destroyed the cells' barred doors and walls, protesting the restriction of visits. We managed to establish telephone contact with a Judicial Police official in Villahermosa Prison. The official was trying to stop the inmates from seizing control of the prison's file room.

[Unidentified police official] They had practically reached the prison's file room and the SIJIN [Metropolitan Judicial and Investigative Police] had to seize control. The inmates have rebelled and they were determined to seize control of this part of the prison so we climbed on top of the ambulance and entered through a window to assume control of the file room.

[Amaya] How can you leave the file room if you want to go out?

[Police official] We have to leave through the windows we used to enter the room. The glass windows are broken and we are in control of this part of the prison. Some shots were fired but it was nothing critical.

[Amaya] Does this mean you cannot leave because there are still some inmates outside the room?

[Police official] Yes, yes, yes. They are quite upset and we are waiting...

[Amaya, interrupting] If you ever decide to leave, is there any chance you might be taken hostage?

[Police official] For a minute we thought this could happen because they are outside the door. [end recording]

Police Director on Security Campaign in Medellin

PA2503042095 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 24 Mar 95

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] This is a report from the Colombian police airport in the western area of Santa Fe de Bogota. General Rozo Jose Serrano, National Police director, is preparing to board a flight bound for Medellin:

[Begin recording] [Unidentified reporter] What is the purpose of your trip, General?

[Serrano] The defense minister has launched a security campaign. We have appointed a defense commission and have contributed material and human resources. We are very interested in Medellin becoming safe again. I believe today's Medellin is a friendly and pretty city. The general commander of the police has done a good job, and we are going to help complete this work for Medellin's sake.

[Reporter] Operation Dignity was conducted in Santa Fe de Bogota yesterday with positive results.

[Serrano] Quite positive. We are very satisfied, because the work requires organization and intelligence. [Words indistinct] we are pleased, because we have succeeded in striking the Santa Fe de Bogota Cartel a hard blow. Everyone had believed police operations were conducted in Cali only, but I believe we have demonstrated that intelligence here has improved very much. We are quite

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satisfied. I would like to underline the determined cooperation of the Prosecutor General's Office and the Attorney General's Office, as well as the leadership of the defense minister and the president of the Republic.

[Reporter] What will happen to the enterprises the police broke into and searched in Santa Fe de Bogota yesterday?

[Serrano] The outcome will be decided by the prosecutors who participated in the operation and will be based on documents, diskettes, checkbooks, and income tax returns. We will use all of these documents to carry out other operations and to complete our mission.

[Reporter] What will happen to the sons of Gilberto Rodriguez Orejuela and the other individuals who appeared to be involved in illegal activities as the result of these searches?

[Serrano] They clearly appear as partners in these enterprises. The Prosecutor General's Office will use the investigation to reach a conclusion and make a decision about these people's fate. They and other people are registered at the Chamber of Commerce as partners to these enterprises.

[Reporter] Is there any money laundering involved?

[Serrano] That will be determined by the results of the investigation. The mission of the Search Bloc in cases such as this is to put at the disposal of the Prosecutor General's Office all of the documents found, to keep studying them, and to contribute knowledge to help in the investigation. [end recording]

Serrano will conduct a large scale operation in the capital after he returns from Medellin.

Ecuador

Demobilization of 3,000 Soldiers Begins in Riobamba

PA2803020895 Quito Voz de los Andes in Spanish 2300 GMT 27 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Excerpt] Quito—Brazilian diplomatic sources confirmed here today that Ecuador has begun demobilizing the 3,000 soldiers sent to Riobamba to relieve the Ecuadoran troops who fought against Peruvian forces along the common border.

Ecuadoran General Duran Abad invited Brazilian General Candido Vargas Desaire, chief of the mission of military observers for Ecuador and Peru, to witness the demobilization of the 3,000 men who comprise the Cenepa Brigade in Riobamba. The demobilization is taking place at the headquarters of the 11th Galapagos Armored Brigade, where Cenepa Brigade troops were sent when the conflict between Peru and Ecuador erupted on 26 January. [passage omitted]

Peruvian Claims of Truce Violation Denied

PA2803022595 Quito Voz de los Andes in Spanish 2300 GMT 27 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Countering Peruvian claims that Ecuador has violated the cease-fire, the Ecuadoran Government has asserted that the disputed border area remains peaceful.

Acting Foreign Minister Marcelo Fernandez de Cordoba told reporters: We do not have any official reports that any clashes have taken place. I have just spoken with the Foreign Ministry's representatives in Patuca, and they told me that they have not been informed of casualties in any of the two sides.

Patuca, which is 350 km south of Quito, is the Ecuadoran military base closest to the disputed zone, and it played an important role in this conflict. With his statements, Fernandez de Cordoba denied the Peruvian Government's claims that Ecuadoran soldiers attacked a Peruvian patrol in the disputed border area last week.

The 6th Peruvian Military Region located in Bagua issued a communique claiming that Peruvian soldiers, who were clearing land mines that threatened their supply route in the Tiwinza area, were attacked by an Ecuadoran patrol consisting of approximately 15 men. According to the communique, the skirmish took placed on Wednesday afternoon in the Tiwinza area, leaving six Peruvian soldiers wounded and one Ecuadoran soldier dead.

Meanwhile, however, the guarantor countries observers mission that is in the disputed zone between Ecuador and Peru has asserted that tranquility reigns in the region. An Ecuadoran officer has also denied that Ecuadoran troops attacked a Peruvian patrol in the undelimited jungle area, as was reported in the Peruvian military communique.

Envoy Confirms Accords Not Violated

PA2803024395 Quito Voz de los Andes in Spanish 2300 GMT 27 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Quito—Ambassador Edwin Johnson, Ecuadoran Foreign Ministry coordinator for the guarantor countries observers mission, has reported that the Ecuadoran Armed Forces have respected and will continue to strictly respect the cease-fire. He added that there have been no recent skirmishes and that the Itamaraty and Montevideo peace agreements have been observed.

Commenting on an alleged attack that occurred Wednesday, 22 March, which has been reported by the Peruvian media, he said it involved the clearing of land

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mines [words indistinct] Ecuadoran positions. He maintained that the peace agreements signed between Ecuador and Peru have not been violated and that the situation along the border is calm. He denied that there have been any clashes in the disputed area, specifically in Coangos and Vigilance Post No. 1, or PV-1.

The observers in Patuca have received no reports of violations of the peace agreements, he remarked. He added that nothing about this has been mentioned in recent news conferences held on either side of the border.

Joint Command Chief Defends Right To Buy Arms

PA2803020095 Quito Voz de los Andes in Spanish 2300 GMT 27 Mar 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] General Victor Bayas, chief of the Ecuador Armed Forces Joint Command, has commented on the alleged purchase of weapons from Argentina. He asserted Ecuador has a legitimate right to buy any materiel it requires for its national defense.

Bayas made these statements to a television station and explained that all arms purchases are strictly for purposes of deterrence. In this way, he dismissed Peruvian claims that Ecuador had started an arms race to escalate the conflict. The widely reported arms sales case should also be investigated on the Peruvian side, he demanded.

Referring to the alleged $30 million purchase, Bayas asked which of the two countries has a defense budget that could afford such a large outlay. He added: The Peruvians have a much larger budget than ours.

Gen. Bayas also noted that the land mines protecting Ecuadoran defense sites will not affect the demilitarization process in any way.

Country's Military Doctrine Explained

95SM0221A Quito HOY (BLANCO Y NEGRO SUPPLEMENT) in Spanish 12 Feb 95 p 2

[Article by JCC: "The Doctrine For Export"]

[FBIS Translated Text] "We have taken a creative approach to the national security problem by applying those theories that are suited to our national and international reality," a young major in the Ecuadoran Army told BLANCO Y NEGRO with revealing candor. "It is a doctrine of our own," he added.

These are days of war, and the national security doctrine created and promoted by the FFAA [Armed Forces] during these past 15 years is reflected at the battlefront.

"In the military," one of the FFAA ideologists says, "we have implemented a doctrine that is deterrent and defensive in nature. It is complemented by a total integration with the Ecuadoran people."

The concept of national defense, according to Ecuadoran military thinking, involves the entire society. The conflict on the upper Cenepa has the total support of the civilian population, which is organized into the Forces of Resistance and Civil Defense brigades.

The military doctrine emphasizes the technification, training, and professional motivation of the personnel. The object is to create soldier-citizens who can relate to the problems and solutions of civilian society but who at the same time are fearsome combatants in time of war. At the same time, the FFAA are asking civilian society to assume its share of responsibility for the nation's security.

The military spokesmen have told this newspaper that the keys to Ecuador's resistance in the present conflict are the FFAA's armed and logistic support, their knowledge of the terrain, the full utilization of their advantages, their symbiosis with the population, and the ideological reinforcement of the entire Ecuadoran society, which—for the first time in a long time—is presenting a united front as a nation.

The military do not deny that this concept of national security coincides with the concept of "war waged by an entire people."

At the international level this concept breaks with western military tradition, which is based on the U.S. concept of national security. It is viewed by the FFAA's comrades in arms on the continent as an innovative proposal, and several Latin American armies have even asked for advice in this regard.

What We Want, and What We Are Able To Do

The Ecuadoran FFAA divide the national objectives into three groups:

1. The security of the state and the nation.
2. The welfare of the people, and national development.
3. National prestige.

The permanent national objectives—which according to the spokesmen we interviewed means "what we want to achieve"—are national unity, national integration, social justice, and democracy.

On the other hand, the "military objectives"—meaning, "what we are able to achieve"—are as follows:

1. Maintenance of territorial integrity.
2. Maintenance of a deterrent military capability.
3. Development of the nation's defense industry.
4. An integrated civilian and military society.
5. Maintenance of national sovereignty.
6. The integral development of the nation and its inhabitants.

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[Box, p 2]

The Training of an Officer

The training of an officer of the Ecuadoran FFAA begins at the military academies, which have the status of a university despite the opposition of CONUEP [expansion not given].

The curriculum of the Navy, Air Force, and Army academies combines technical and humanist subjects with subjects of a strictly professional nature.

There is a concept of "integral" education that is coordinated by the educational administration of each of the branches of the FFAA. The military emphasize that they have the "best civilian teachers" in their basic academies.

The officers attend special courses for each promotion and—depending on their specialties—attend professional courses that include scholarships for study abroad.

There are optional courses in airborne combat, commando training, survival techniques, and jungle warfare, among others. The various units are also centers for study by correspondence, where the respective commandants require attendance at lectures on the most diverse subjects. Officers also have the option of attending the Army Polytechnic Academy, where they can study for a professional degree.

The Staff

To attain field officer rank (starting at lieutenant colonel or naval commander), officers must attend the War College, where for two years they will take courses in strategy that include an in-depth analysis of the national reality.

Attendance at the War College is followed by the Joint Command course.

The educational institution that officers are the most eager to attend, however, is the Institute for Higher National Studies (IAEN). Only those officers who aspire seriously to attain the rank of general are admitted to its classrooms, where their classmates include selected civilians from various institutions as well as political, business, and labor leaders. According to one of the instructors—who is also an FFAA adviser—the curriculum includes courses on military, psychosocial, political, and economic subjects that emphasize national security. Analyses are made of international, regional, and local affairs. All students must—as a degree requirement—write a thesis on their respective field of specialization.

In other words, every graduate with an advanced degree is a well-trained professional who has received a broad general cultural education.

Military's Economic Role; Investments Detailed

95SM0221B Quito HOY (BLANCO Y NEGRO SUPPLEMENT) in Spanish 12 Feb 95 pp 4-5

[Article by Alberto Acosta: "The Business War"]

[FBIS Translated Text] *The military are investing in various sectors of the economy. The essential consideration today is to avoid extending new privileges to the military as they assume their role in a democratic process of development.*

In the so-called process of modernizing the government, one of the many points in dispute has been the participation of the FFAA [Armed Forces] in industrial, agricultural, financial, and even shrimp-fishing activities.

In the opinion of the Chambers of Production, this intervention amounts to interference in areas reserved to private enterprise. The fact that the FFAA have fulfilled their mission quite efficiently despite the widespread crisis in the nation amounts virtually to a provocation in the eyes of the market-economy theorists.

A Bullet Fired at the Heart of the Free Market

It cannnot be assumed, however, that the criticism of the entrepreneurial activities of the military is based solely on ideology.

The criticism is actually based on the attraction that these entrepreneurial activities have for the private sector, which envisions lucrative business opportunities in those areas—opportunities that it does not want to lose without a struggle.

From this standpoint, certain spokespersons for these influential circles believe that the enterprises of FFAA personnel are not adapted to the normal conditions of competition and that they enjoy certain nonentrepreneurial advantages such as free floor space, no expense for protective services, cost-free vehicles, low executive salaries, military discipline, and favored treatment at public auctions.

These circles are also particularly concerned because the group of enterprises of the Army Industries Directorate (DINE) is operating as if it were a transnational conglomerate: i.e., one enterprise for the profitability of all, and all enterprises for the security of one.

Carlos Castillo—from whom we acquired the title of this article—has written that this group of enterprises constitutes "a bullet fired at the heart of the free-market theories," in that it reduces the opportunities for Ecuadoran and foreign investors to make money.

The chorus of criticism has even included the U.S. embassy, which on several occasions has directed criticism at the military enterprises.

There are other positions on the entrepreneurial side, however, inasmuch as some investors have established a variety of relationships with military enterprises in order

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to obtain protection for their own activities, such as protection for the mining companies from potential invaders.

A State Within a State?

Still other segments of the population have demonstrated their concern over this new, concretely military form of state intervention that could conceivably lead to the formation of a new privileged caste that would benefit from a number of advantages.

Their concern is not limited solely to the economic sphere. They also believe that the FFAA could be setting up a sort of parallel state within a state.

On the other hand, this criticism ignores other factors that have gone unnoticed by the market-economy establishment.

The real importance of the FFAA's social services with respect to education, health, local roads, and so forth in disadvantaged areas should be emphasized, especially in view of the fact that the very governments that are so ready to satisfy the requirements of big business and foreign creditors have neither the ability—nor the desire—to engage in social work.

Special mention should also be accorded to other FFAA enterprises whose strategic importance cannot be limited solely to those production units that supply munitions or provisions for the military activities.

This is true in the case of TAME (Ecuadoran Military Air Transport), created in 1962, which is used to link distant areas that would have no air service if that function were left in private hands. TAME's activities have also played an essential role in the resistance to Peruvian aggression.

It is also useful to mention the contribution made by the Ecuadoran Petroleum Fleet (Flopec) (created in 1973) and the Ecuadoran Sea Transport (Transnave) (created in 1971) toward the creation and strengthening of the nation's maritime power, which was previously nonexistent. Moreover, these enterprises have been financed largely with resources generated by their own activities, and they have made it possible for Ecuador not to be completely dependent on foreign fleets. This has predictably aroused resentment among private shipowners.

The essential consideration today is to avoid extending new privileges as the military assume their role in a democratic national process of development, and to recognize—as Defense Minister Jose Gallardo has stated—that "there are some strategically important enterprises on which the nation's economy and security depend and which cannot be placed in foreign hands."

Table 1. Armed Forces Participation in Business Activity

Company	Stake (percentage)
Ecuador National Steel Mills	54.5
Industrial Footwear	99.1
CM Agricultural Company	60
Mining Company	93.3
Pachicutzam Mining Company	35
Pijilicem Mining Company	40
Ecuadoran Copper Company, Inc.	10.9
Ecuadoran Steel Company, Inc.	100
National and Commercial Company	99
Explosives Company of Mixed Economy	60
Military Equipment Factory	94.03
Santa Barbara Munitions Factory	100
Ecuadoran Military Products	100
National Foundries, Inc.	6
Ecuador Electronic Implements, Inc.	51
B.B. Bus Transport, Inc.	4.53
Armco Metal Products, Inc.	10.4
Mining Services Company of Mixed Economy	99
Ecuadoran Shipyards	100
Esmeralda Port Authority	100
Guayaquil Port Authority	100
Manta Port Authority	100
Puerto Bolivar Port Authority	100
Army Industries Directorate	100
Ecuadoran Aviation	100
Flopec [Ecuadoran Petroleum Fleet]	100
TAME [Ecuadoran Military Air Transport]	100
Transnave	100
Ecuador Containers, Inc.	55
Ruminahui Bank	100

Source: Senda, *El ambito empresarial del Estado ecuatoriano—Informacion y analisis, ano 1991 (The Entrepreneurial Sector of the Ecuadoran State: Data and Analysis for 1991)*, Quito, December 1991, in Acosta, Alberto, *La deuda eterna (The Everlasting Debt)*, which states that the Ruminahui Bank is not included in Senda's data.

Joint Command Chief Discusses Border Conflict

95SM0221C Quito HOY (BLANCO Y NEGRO SUPPLEMENT) in Spanish 12 Feb 95 p 6

[Interview with General Victor Manuel Bayas, Armed Forces Joint Command Chief, by JCC; place and date not given]

[FBIS Translated Text] In these days of war, there is an atmosphere of tranquillity in the office of the chief of the FFAA [Armed Forces] Joint Command (Comaco), General Victor Manuel Bayas. We would say that as the chief of all the armed forces, he is the embodiment of the supreme military command.

Behind the camouflage uniform and stern gaze was a man who received the BLANCO Y NEGRO representative in a simple and serene manner.

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[JCC] What strategy has the FFAA adopted for this conflict?

[Bayas] Comaco is the organization responsible for the planning, preparation, and direction of our armed institution in matters relating to national defense. It is in Comaco that all plans are made with respect to where the FFAA would be employed in the performance of its defense-related duties.

Under the current arrangement, Comaco has merely carried out all plans that it has for this purpose and that have been approved by the president of the Republic, who is the supreme authority in matters of national security.

In this conflict, we have activated all our forces in order to be in condition to defend our territory and repulse any attempt to invade it.

As an overall strategy, we are continuing a defensive posture at the national level for the purpose of maintaining our sovereignty.

The FFAA are aware that we have not trained a military force in order to dispatch it toward Peruvian territory. If, however, an escalation occurs all along our national border, we are capable of inflicting damage beyond that border.

[JCC] Is it a struggle of David versus Goliath?

[Bayas] In no way. You know that there are no invincible armies, especially when the man in uniform and the people are convinced that right is on their side. We do not fear a global military confrontation, because we are aware that our FFAA—despite their lesser resources—are superior in many other respects, such as in the training of their cadres and in the will to win.

[JCC] Can we rely on the weapons that we possess?

[Bayas] Of course. At this moment all of the FFAA's weapons are in excellent condition for efficient use. We are objective with regard to our equipment and the differences between the two countries. We do not put ourselves in a position of anticipating early victory, but our personnel are prepared to cope successfully with any military situation.

[JCC] What is your assessment of the war to date?

[Bayas] There has not been a total escalation. The conflict has been localized in the area of the upper Cenepa. No assets such as the air forces of either country have been employed other than sporadically. What is taking place is jungle combat in which our soldiers' professional ability is overcoming their numerical inferiority by virtue of their disposition over the terrain.

I believe that in the Cenepa sector we shall be successful in maintaining the disposition of our encampments.

[JCC] Can that disposition be damaged by the volume of fire from Peru?

[Bayas] In particular, it produces psychological effects on the combatants, but they are prepared to overcome and counteract those effects, with the result that our soldiers continue to hold their positions despite the incessant use of helicopters. That is natural behavior among men in battle.

[JCC] How does the war on the upper Cenepa compare with the Paquisha conflict?

[Bayas] The two situations are completely different. In 1981 there was a political decision to abandon the posts that were initially believed to be correctly situated. Through mediation by the observers a decision was taken to leave the posts, and some detachments—which had been formed in an attempt to obtain a better location in the sector—were bombed at a time when there were few personnel in the area.

In the present case, our effectives have not been moved forward. The sites that we are defending have been in our possession for years, including some since before 1941, as in the case of Soldado Monge.

[JCC] Is it possible that the conflict will be prolonged and intensified?

[Bayas] That is a political decision for both parties to the conflict to make. The decision as to whether the conflict will be escalated, kept localized, or terminated is not solely Ecuador's to take; it must reflect the will of both sides. For our part, we desire a solution that is negotiated on an impartial basis. If that does not occur, our country will have no other course than to deal with the absence of a corresponding desire on the other side.

This is a great personal responsibility, but we shall know how to fulfill it. I am proud of our soldiers.

Update on Public Sector Downsizing

95SM0242C Guayaquil EL UNIVERSO in Spanish 13 Mar 95 p 13

[FBIS Translated Text] Quito, 13 March 95 (NOTICIA)—Approximately 39,000 civil servants have been separated from their jobs to date during the present administration. A total of 79 government departments are in the process of modernization, and 135 government agencies have been reclassified by Senda [National Secretariat for Administration Development].

In recent months Senda has also filed more than 700 accusations of irregularities and qualified more than 22,000 civil servants. These and other actions are cited by the head of Senda, Antonio Andreta.

Senda is playing a major role in the process of modernizing the national government in connection with the preparation of preliminary studies, reduction of personnel, and reclassification of positions in the civil service. The reclassification process includes increases in civil service salaries.

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The reduction of personnel has been complemented by the provision of intensive entrepreneurial training for those who leave the state sector.

"Senda has reclassified employees of 135 different government agencies," Andreta says, "in a process that places civil servants in the category where they belong and increases their salaries."

Administrative rationalization, personnel reduction, decentralization, and administrative efficiency have been the guiding principles of Senda's action, which is channeled through the national directorates of personnel, institutional development, administrative control, and informatics.

Paraguay

President Dispels Coup Rumors, Urges Unity

PY2703184795 Asuncion ABC COLOR in Spanish 26 Mar 95 p 2

[Report by special correspondents Nestor D. Franco and Jorge Caceres from the Domingo Montanaro Colony, Coronel Oviedo District, Caaguazu Department; date not given]

[FBIS Translated Text] President Juan Carlos Wasmosy did not give any importance to the rumors of a coup d'etat, the firing of ministers, or that the president is at loggerheads with his Army commander in chief, General Lino Oviedo. "The government and the Armed Forces are in my hands and there is a group that will defend me in this democratic project," the president said vehemently during an improvised address on 25 March at the Domingo Montanaro Colony.

In an energetic tone, Wasmosy urged the people not "to be afraid." He said: "The Armed Forces are united," although he later acknowledged: "Small groups sometimes want to create divisions within in the Armed Forces and to place them at loggerheads with the commander in chief. But, they (the military) are the standard bearers of this democratic process who have adapted to the changes more than anyone else, and they are the guarantee that politicians have to live in peace and justice in this Republic."

In another passage of his address, the president said there are people who seem to want to destroy the Armed Forces. Referring to congressmen, he said: "They are trying to destroy them by not allocating a budget... We want them to be good, austere, pure, humble, and simple, and yet we pay them a beggar's salary. An elevator operator at the Central Bank gets more than the 30 year career officers we are always lambasting," once again defending the men in uniform.

He lamented that we blame the Armed Forces for all defects, "yet we do not see that they work 24 hours a day so that all of us can enjoy peace, a good way of life, and tranquility."

Wasmosy also criticized the politicians who squabble among themselves everyday. He lauded the unity that he observed in the jurisdiction of the RI 3 Corrales and Domingo Montanaro Colonies, where members of the ANR [Colorado Party] and the PLRA [Authentic Radical Liberal Party] waved their party flags harmoniously together as an example of exemplary civility. The chief of state lauded the fact that in these localities criticism among politicians is never heard.

He rejected criticism that he is an itinerate chief of state. He highlighted the fact that for the first time a Paraguayan president had presided over an international forum like the one in Copenhagen with the participation of more than 130 world heads of state.

He stressed that Paraguay is a small but sovereign country. He stated that he makes our country respected abroad. "I am doing my best to make our country known," he added. He again asked congressmen for sensitivity in disbursing funds for teachers, nurses, military, and other public employees.

He said it is correct to criticize bad things, but called for respect and acknowledgement for good things. He said: "We must not be egoistic... the blessing of an installation for the use of the people was refused, but the installation is for the benefit of the people—not just to glorify the government that concluded a project it did not start." Earlier this week, Monsignor Lugo refused to bless the multi-use stadium at Concepcion, on the grounds that there are other more urgent tasks.

Frictions Between Army, Air Force Commanders Analyzed

PY2503032295 Asuncion ABC COLOR in Spanish 24 Mar 95 p 7

[FBIS Translated Text] Their opposite views about the organization of the Armed Forces is the bone of contention between [Air Force Commander] General Cesar Cramer and [Army Commander] General Lino Oviedo. According to sources at the Armed Forces, these differences do not, however, constitute any motivation for possible military action. The disagreement over the handling of the Armed Forces has been compounded over time by other aspects.

The difference of opinion between the two generals reportedly originated in the following points:

A. President Juan Carlos Wasmosy's refusal to appoint Brigadier General Hector Adriano Ocampos Diaz, who at present holds the post of Air Force chief of staff, as Air Force commander, and accept Gen. Cramer's retirement.

B. Gen. Cramer's loyalty to the commander in chief of the Armed Forces [President Juan Carlos Wasmosy] during the conflict that erupted last 18 December, when an attempt to transfer Brigadier General Carlos Alberto Ayala from the 1st Infantry Division was thwarted.

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C. The possible confinement of Brig. Gen. Ocampos to barracks at the command of the 1st Army Corps last 18 December.

D. The constant threat of the retirement of several officers who are loyal to Gen. Cramer, encouraged by Brig. Gen. Ocampos, supposedly under Gen. Oviedo's influence, so as to guarantee control by the Cavalry over the Air Force.

E. The nearly complete lack of communication between the Air Force commander and his chief of staff.

F. The difficulties Gen. Cramer has had in trying to remove Brig. Gen. Ocampos from his position as Air Force representative on the Dinac [National Directorate of Civil Aeronautics] executive council. Rumor has it that Gen. Oviedo imposed Ocampos' nomination, and he, therefore, answers more to the Cavalry than to the Air Force.

G. Reports of frequent visits and meetings between members of the U.S. and Paraguayan Air Forces, which gives rise to suspicions within the Cavalry command.

H. Last, the transfer of the "Xavante" and "Tucano" aircraft to Ayolas.

Peru

JNE Reminds Government Officials To Stay Out of Campaign

PY2703150395 Madrid EFE in Spanish 1607 GMT 23 Mar 95

[FBIS Translated Text] Lima, 23 Mar (EFE)—The National Election Board (JNE) today asked Fujimori, the Peruvian president who is also running for reelection, to instruct all government officials to remain out of the electoral campaign.

In a letter to President Fujimori that was made public today, the JNE also reminds him that the electoral law forbids public employees, civilian officials, and members of the Police and Armed Forces from interfering in the electoral process, and provides for punishment should they do so.

The letter was made public a little after a spokesman for the OAS observers mission had confirmed the existence of 11 charges of alleged acts of propagandizing by government officials in the interior of the country in an attempt to favor Fujimori's reelection.

Ten of these charges were made by the Union of the Peruvian People (UPP), the party of Javier Perez de Cuellar, former UN secretary general and presidential candidate in the upcoming elections. The other one was made by Popular Action (AP), which is headed by former President Fernando Belaunde (1980-85).

In the letter the JNE asks Fujimori "to instruct all political authorities, without exception, to not interfere in the political process, at the risk of being legally held responsible for said interference."

The Peruvian general elections will be held on 9 April, when some 12 million voters will elect a new president and renew the 120 representatives of Congress.

All polls indicate that Fujimori is the favorite candidate and that he may win in the first round of the elections with more than 50 percent of the votes.

The Peruvian Constitution establishes that if no candidate obtains one half plus one valid votes, there must be an electoral runoff.

In second place after Fujimori is Perez de Cuellar with 19 percent of the votes, and then independent economist Alejandro Toledo with 6 percent of the votes.

No Need for State of Emergency in Elections Seen

PY2803021595 Madrid EFE in Spanish 0929 GMT 25 Mar 95

[FBIS Translated Text] Lima, 25 Mar (EFE)—The upcoming 9 April elections will be held under a state of emergency and with several constitutional rights suspended in 45 provinces, including Lima.

According to a report released in Lima by the Human Rights Commission, a nongovernmental organization, the 45 provinces of 11 departments represent 21.8 percent of the national territory and 43 percent of the population.

The departments of Cuzco, San Martin, and Huanuco have the greatest numbers of provinces in a state of emergency.

Some weeks ago, even Lima, with seven million people, and its port of Callao were declared in a state of emergency for another 60 days.

In Peru, the state of emergency is ordered by supreme decrees of the executive branch with the approval of the Armed Forces Joint Command.

The state of emergency cannot last more than 60 days, and this is why it is renewed every 60 days.

The state of emergency was imposed in part of the Peruvian territory in the past decade as a measure of protection and a guarantee against the violence carried out by the Shining Path.

In the last 12 years, the Shining Path has been responsible for 30,000 deaths among the Peruvian population, mainly in the provinces inhabited by peasants and in the remote jungle regions.

The Human Rights Commission indicated, however, that terrorism has not been a threat or a destabilizing factor in the country for a long time.

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The commission said: "There have been no attacks for months in most of the 45 provinces in a state of emergency."

The commission report also says that the government can now confront terrorism with "rational" and "selective" means, without affecting guarantees and individual freedoms.

The constitutional rights affected by the state of emergency are the right to privacy in the home, peaceful assembly, and freedom of movement.

As the upcoming 9 April elections approach, the government is adopting several protective measures to prevent incidents and possible attacks by the Shining Path.

On 23 March, the police captured terrorist Margie Clavo Peralta, leader of the Red Path, which is a splinter group of the Shining Path.

With her capture and the arrest of 17 terrorists, the government was able to prevent an "armed strike" ordered by the Red Path to prevent the 9 April elections.

On 9 April about 12 million Peruvians will elect a president and congressmen.

The elections include 14 presidential candidates or slates and 2,400 candidates to fill 120 congressional seats.

Uruguay

New Air Force Chief Speaks on Discipline, Other Issues

PY2403164295 Montevideo EL OBSERVADOR ECONOMICO in Spanish 18 Mar 95 p 7

[FBIS Translated Text] Air Force Lieutenant General Miguel Sunol, Air Force commander in chief, has characterized "discipline" within the Armed Forces as one of the "supreme" values guiding the institution's behavior. He also spoke about the need to maintain "loyalty to the chief" and fulfill "our duty despite our own ideas or convictions."

The commander's remarks, made only five days after former Army commander Daniel Garcia criticized some attitudes and acts within his former institution, were made during a speech commemorating the 82d anniversary of the FAU's [Uruguayan Air Force] creation.

President Julio Maria Sanguinetti; Vice President Hugo Batalla; Interior Minister Didier Opertti; Defense Minister Raul Iturria; Lieutenant General Juan Curutchet, Army commander in chief; and Vice Admiral Raul Risso, Navy commander in chief, participated in the ceremony. At the end of the speech, the officials present watched a military parade from a balcony on Damaso Antonio Larranaga Avenue. During the speech, the FAU commander in chief recalled the events that preceded the creation and development of the country's national aviation and added that he could not and did not wish "to hide our problems (at the Air Force). Our challenge is to recognize them, face them properly, and overcome them. We must struggle without dismay, trusting that our efforts will not be in vain."

"We frequently handle tangible concepts such as resources, budget matters, or other items and other more theoretical concepts such as performance and efficiency," Sunol said. He added that even though these concepts are all necessary and must always be taken into account, we must not forget, "for a single minute, the basic principles of military behavior."

The Air Force commander said these principles are "loyalty to the chief, forbearance to face the sacrifices imposed by the profession, discipline that compels us to faithfully fulfill our duty despite our own ideas and convictions, comradeship that implies understanding and support for those who are weaker, and respect and admiration toward those who should be taken as example."

The military chief said: "We have an attractive future before us and we must know how to take advantage of it," despite our difficulties, which are not "impossible to overcome." "We know where we want to go, what kind of organization we need, and what steps we must take to achieve our objectives. I think we have started to envision a clear horizon, even though it is still far in the future because of our limitations," Sunol said.

The military chief expressed optimism with regard to the evolution of the Air Force "in the medium- and long-term."

In other passages of his speech, the text of which was distributed among reporters by the FAU press secretary, and which Sunol did not read, he mentioned discipline within the Armed Forces. "It is quite common to mention patriotism, forbearance, and courage as the military institution's basic values, but discipline is the supreme attribute that must prevail in all armies," one of the paragraphs stated.

The speech also notes that discipline "is needed because the human condition is fallible. It is a tool and a mechanism that permits us to become efficient and strong."

Venezuela

Foreign Minister Denies Samper-Caldera Summit in Apr

PA2503171995 Caracas Venezolana de Television Network in Spanish 0200 GMT 25 Mar 95

[Report by Melissa Soto, from "The News" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] In addition to the pain suffered by the loss of eight marines in Cararabo, this region has not only become the scene of tragedy, but has served as the site of talks between Venezuela and Colombia. The

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sole purpose of these talks is to fight the guerrillas. These words stress the importance of working as a team far from all the rhetoric and negative criticism.

For the time being, no meeting between Presidents Rafael Caldera and Ernesto Samper has been scheduled to take place at the border in April.

Venezuelan Foreign Minister Miguel Angel Burelli Rivas denied certain reports published in the media about this possible meeting.

[Burelli] "There are no plans to hold a presidential meeting. Ideas about this have been mentioned, but there are no plans."

Burelli, however, did confirm a meeting that will be held between the border affairs commissions of both nations and the foreign ministers on 30 and 31 March in Merida State.

Meanwhile, Special Minister Pompeyo Marquez said he has no knowledge about an alleged guerrilla attack in Zulia State. He said there is interest in provoking Colombian public opinion against Venezuela.

[Marquez] "This has to do with an interest in diverting the people's attention from the main issue, which is the Cararabo massacre. There have not been any violent deportations, but simply a repatriation agreed upon between the governors of bordering states."

As for the border problem, Ary Ascola, the mayor of Machique de Perija, said during the National Mayors Council that the problem will not be resolved by militarily occupying the border, because it is necessary to implement a series of social and economic programs to truly exercise sovereignty.

[Ascola] "We have to be present there with our troops, but it must be accompanied by a socioeconomic program for the mountain ranges. The program should not be implemented just because of the Cararabo incidents."

The Navy commander in charge of the troops that were deployed to the border region following the incidents that took place in Cararabo must be questioned by the Interior Policy Commission so he can explain charges of human rights violations.

This information undoubtedly confirms charges made by the Human Rights Subcommittee along with the Puerto Ayacucho Apostolic Vicariate claiming that the Armed Forces committed violations when dealing with this case because many of the persons arrested following the Cararabo massacre were tortured and physically mistreated.

[Vladimir Villegas, chairman of the Human Rights Subcommittee] "The Defense Ministry must find those responsible for the incidents and punish them with the full weight of the law. I believe both the Cararabo massacre and the arrest and mistreatment of these people must be condemned."

A meeting between the interior minister and student leaders will take place at the Interior Ministry on 28 March to review the tensions created following the various arrests conducted by the various state security organizations.

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